

SERFF Tracking Number: AMAX-125708415 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$50
Company Tracking Number: AAIS-2008-26R
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Rules & Factors - AAIS-2008-26R/AAIS-2008-26R

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Boatowners	SERFF Tr Num: AMAX-125708415	State: Arkansas
TOI: 09.0 Inland Marine	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 09.0006 Other Personal Inland Marine	Co Tr Num: AAIS-2008-26R	State Status: Fees verified and received
Filing Type: Rule	Co Status:	Reviewer(s): Alexa Grissom, Betty Montesi
	Author: SPI AAIS	Disposition Date: 06/26/2008
	Date Submitted: 06/24/2008	Disposition Status: Filed
Effective Date Requested (New): 12/01/2008		Effective Date (New): 12/01/2008
Effective Date Requested (Renewal):		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name: CW BT 05 08 Rules & Factors - AAIS-2008-26R	Status of Filing in Domicile: Pending
Project Number: AAIS-2008-26R	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 06/26/2008	
State Status Changed: 06/26/2008	Deemer Date:
Corresponding Filing Tracking Number: AAIS-2008-26F; AAIS-2008-26LC	
Filing Description:	
Re: AAIS-2008-26R	
Boatowners Program	
Manual Rules and Supplemental Rating Information (Rev 05 08)	

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the

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AAIS Boatowners Program. Our filing consists of an updated countrywide manual of manual rules and supplemental rating information.(Rev 05 08).

The Filing Memorandums provide detailed descriptions of the changes and additions being proposed at this time. Copies of all materials are enclosed.

We propose that the filing become effective December 1, 2008. Companies will be advised to take the filing action outlined in the attached company action exhibit.

In a separate companion filing identified as "AAIS-2008-26F" we have submitted new and/or revised forms and endorsements.

In a separate companion filing identified as "AAIS-2008-26LC" we have submitted new and/or revised loss costs.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

Company and Contact

Filing Contact Information

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Filing Company Information

American Association of Insurance Services	CoCode: 31400	State of Domicile: Delaware
1745 S. Naperville Road	Group Code:	Company Type:
Wheaton, IL 60187-8132	Group Name:	State ID Number:
(630) 681-8347 ext. [Phone]	FEIN Number: 36-2021360	

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Filing Fees

Fee Required? *Yes*
Fee Amount: *\$50.00*
Retaliatory? *No*
Fee Explanation:
Per Company: *No*

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$50.00	06/24/2008	21064503

<i>SERFF Tracking Number:</i>	<i>AMAX-125708415</i>	<i>State:</i>	<i>Arkansas</i>
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	06/26/2008	06/26/2008

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Disposition

Disposition Date: 06/26/2008

Effective Date (New): 12/01/2008

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	BT CW Rules Filing Memo	Filed	Yes
Supporting Document	BT Actuarial Memo	Filed	Yes
Supporting Document	BT Actuarial Exhibits A, B, & C	Filed	Yes
Supporting Document	BT CW Manual 05 08 to BT CW Manual 2.0	Filed	Yes
Supporting Document	AR State Exception Page Rev 05 08 to Rev 2.0	Filed	Yes
Supporting Document	AR Personal Lines Rules Company Action Exhibit	Filed	Yes
Rate	Boatowners Manual Rules	Filed	Yes
Rate	Factor Rating Information	Filed	Yes
Rate	AR BT State Exception Page	Filed	Yes

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Rate Information

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Boatowners Manual Rules	Index i - ii, Rules 1 - 23	Replacement	Index i - ii, Rules 1 - 23.PDF
Filed	Factor Rating Information	Factor Rating Info 1 - 4	Replacement	Factor Rating Info 1 - 4.PDF
Filed	AR BT State Exception Page	Arkansas - 1	Replacement	Arkansas - 1.PDF

BOATOWNERS PROGRAM

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THIS MANUAL CONTAINS LOSS COSTS

All references in this manual to ***premiums, rates, or charges*** mean ***loss costs***. Use the company multiplier to convert loss costs to final rates, premiums, and charges. **Do not apply the company multiplier to rating information expressed in terms of percentages or factors.**

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
1745 South Naperville Road • Wheaton, IL 60187-8132**

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AMERICAN ASSOCIATION OF INSURANCE SERVICES BOATOWNERS MANUAL

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INTRODUCTION

This manual sets forth the countrywide rules, rating information, and definitions for writing boatowners policies using AAIS forms and endorsements. Refer to the applicable state manual pages for exceptions. Refer to each state's current state-specific listing of forms and endorsements for the forms and endorsements currently on file in that state.

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RULE 1 -- ELIGIBILITY

1.1 Eligible Property

The Boatowners Special Form, BT 0100, may be used to cover boats that meet all of the following requirements:

- Owned by individuals for personal pleasure use
- 30 feet or less in overall length
- Capable of maximum speeds not greater than 50 MPH (does not apply to personal watercraft)
- 20 years or less in age
- Valued at \$75,000 or less

Use the combined values of the boat and motor(s) to determine the eligibility status for boats powered by outboard motors.

The Boatowners Special Form may also be used to cover boat trailers used to transport one or more covered boats.

A company that limits eligibility to exclude personal watercraft may attach endorsement BT 2001, Personal Watercraft Exclusion. When endorsement BT 2001 is attached, coverage for non-owned and newly acquired personal watercraft does not apply.

For any boat that does not meet the above requirements, refer to the company.

1.2 Ineligible Property

The following are not eligible for coverage under this program:

- Air propelled or air powered boats
- Amphibious vehicles
- Boats powered by converted automobile engines
- Boats used or developed for experimental purposes
- Converted military surplus vessels
- Home-built or kit-built boats
- House boats used as year-round or seasonal residences
- Hovercraft
- Hydrofoils or Hydroplanes
- Ice boats
- Power boats owned for racing purposes
- Property used for business, charter, or other commercial purposes
- Sailboards or windsurfers
- Submersible watercraft

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RULE 2 -- PROGRAM DESCRIPTION

A general description of the coverage provided by the Boatowners Special Form follows. The form and any applicable endorsements state the complete conditions.

2.1 Form BT 0100

The Boatowners Special Form, BT 0100, can be used to provide:

- property, liability, and uninsured boater coverages;
- only property coverage; or
- only liability and uninsured boater coverage.

When form BT 0100 is used to provide liability coverage, a separate liability charge must be made for each boat described on the declarations.

2.2 Principal Property Coverages

Coverage is provided for boats, motors, and boat trailers described on the declarations. A separate limit must be shown for each covered item.

2.2.1 Boats -- "Boat" means a watercraft. The limit shown on the declarations for each covered boat applies to the hull and to sails, spars, fittings, and all permanently attached equipment. This includes built-in engines, but not outboard motors.

2.2.2 Motors -- "Motor" means an outboard motor, including start up equipment and controls, batteries, electric harnesses, fuel tanks, and other pressure control tanks.

2.2.3 Boat Trailer -- "Boat trailer" means a trailer designed specifically for transporting a boat.

2.3 Covered Losses

Covered property is insured against direct risks of physical loss that are not specifically excluded by the terms of the form.

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2.4 Property Loss Settlement Provisions

Property losses are settled on an actual cash value basis. Payment will not exceed the actual cash value, the cost to repair or replace the property, or the limit for the damaged or lost property. The limit for the property should reflect 100% of the actual cash value of the property at the inception/renewal date of the policy. The applicable deductible on the declarations will be applied.

Show the property limits on the declarations when property coverage applies.

2.5 Principal Liability Coverages

When form BT 0100 is used to provide liability coverage, Coverage X -- Personal Liability and Coverage Y -- Medical Payments apply to exposures related to the use of the boats, motors, and boat trailers described on the declarations and to exposures arising out of newly acquired property and non-owned boats as described in the BT 0100.

2.5.1 Coverage X -- Coverage X -- Personal Liability pays damages for which an insured is liable by law because of bodily injury or property damage arising from a covered boat exposure.

2.5.2 Coverage Y -- Coverage Y -- Medical Payments pays medical expenses for accidents arising from a covered boat exposure. Coverage Y pays the medical expenses of insureds injured in a covered accident arising out of ownership or use of covered property on a non-owned boat.

2.5.3 Basic Limits -- The basic limits for the Principal Liability Coverages are:

Coverage X -- Personal Liability	\$100,000 Per Occurrence
Coverage Y -- Medical Payments	\$1,000 Per Person

Higher limits are available. Refer to Rule 4.3.3, Liability Premium.

Show the Coverage X and Coverage Y limits on the declarations when liability coverage applies.

2.6 Uninsured Boater

Coverage Z -- Uninsured Boater, pays for compensatory damages that an insured is legally entitled to recover because of injuries caused by the owner or operator of an uninsured boat. Uninsured Boater applies only when form BT 0100 is used to cover the liability exposures of the boats described on the declarations.

The basic limit for Uninsured Boater is \$10,000 Per Accident. There is no additional premium charge for the basic limits for Uninsured Boater. Higher per accident limits are available. Refer to Rule 7.4, Uninsured Boater Limit.

Show the Coverage Z limit on the declarations when Uninsured Boater coverage applies.

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RULE 3 -- POLICY WRITING INSTRUCTIONS

3.1 Policy Format

Form BT 0100 may be written as a monoline policy or may be packaged with forms that cover other personal lines property and liability exposures to create a personal combination policy. The following components are required for each format:

MONOLINE

Declarations Page
(Supplementary Schedules Optional)

BT 0100,
Boatowners Special Form

Policy Conditions --
Cancellation and Nonrenewal*

Boatowners Endorsements*

State Amendatory Endorsements*

PACKAGED

Declarations Page
or Schedule(s)

BT 0100,
Boatowners Special Form

Provisions in other forms
that relate to: Cancellation
and Nonrenewal

Boatowners Endorsements*

State Amendatory
Endorsements*

*See the listing of forms and endorsements for the appropriate state to determine the applicable form numbers.

When form BT 0100 is part of a combination policy, also refer to the policy writing instructions that apply to the other policy forms.

3.2 Inception Time

Show the inception time on the declarations.

3.3 Policy Term

3.3.1 Annual -- Rating information for annual policies is shown in this manual. Policies may not be written for terms of less than one year except as specified in the rules shown below. It is permissible to extend a policy for successive annual terms by extension certificate using the rating information, forms, and endorsements in effect on the renewal date.

3.3.2 Three-Year Prepaid -- A policy may be written for a period of three years at three times the annual premium.

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- 3.3.3 Three-Year Deferred** -- A policy may be written for a period of three years and the premiums paid in annual installments. The premium for each installment is based on the rating information, rules, forms, and endorsements in effect on the anniversary date.

Attach endorsement BT 6501 -- Installment Premium Payments.

- 3.3.4 Less Than One Year Or Less Than Three Years** -- A policy may be written for a term of less than one year or less than three years in order to maintain common anniversary dates with other policies. Prorate the annual premium.

- 3.3.5 Renewal Plan** -- A policy may be written for a term of three, six, or twelve months. The premium for a three-month or six-month term is prorated. The policy may be continued for successive terms, subject to the rating information, forms, and endorsements in effect on the renewal date, by payment of the required premium. Make entries on the endorsement to show the policy period.

Attach endorsement BT 6502 -- Renewal Plan.

3.4 Coverage Territory

Form BT 0100 covers losses, bodily injury, and property damage that occur upon the land, coastal waters, tributaries, inland lakes, and rivers of the United States and Canada. Coastal waters means ocean waters which extend 100 miles from the coastline of the United States of America and Canada. For personal watercraft, coverage for coastal waters is limited to 10 miles from the coastline of the United States of America and Canada.

At the discretion of the company, the boundaries of the coverage territory can be modified by entering a revised description on the declarations.

3.5 Required Lay-Up Period -- Territories 1, 2, 7, and 8

The annual rating information shown in this manual for Territories 1, 2, 7, and 8 has been adjusted to reflect an eight-month navigation period. Covered watercraft must be in a safe berth for storage ashore or afloat from approximately mid-November until mid-March. This period of time is referred to as the lay-up period. Show the lay-up period on the declarations.

Attach endorsement BT 2000 -- Lay-Up Period Limitation.

Subject to the company's approval, the required lay-up period can be waived for an additional charge shown in the factor rating information pages. See Rule 6.2.1, Extended Navigation Period.

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3.6 Additional Interests

Loss to covered property can be made payable to the insured and to loss payees or others who have an interest in the property. Identify the appropriate entity or person(s) on the applicable endorsement listed below.

Attach endorsement BT 6000 -- Additional Interests for other additional interested parties.

Attach endorsement BT 6002 -- Loss Payee Provision for lien holders.

Attach endorsement BT 6003 -- Agreed Value Loss Payee Provision when the Agreed Value Settlement Provision applies.

3.7 Additional Insureds

Coverage can be provided to additional insureds for vicarious tort liability resulting from an insured's ownership, maintenance or use of covered property. Identify additional insureds on the endorsement.

Attach endorsement BT 6001 -- Additional Insured.

3.8 Assignment

At the option of the company, a policy may be endorsed to effect assignment from one insured to another in the event of transfer of title of the property.

Attach endorsement BT 6500 -- Change Endorsement.

3.9 Cancellation Or Reduction In Limits Or Coverage

Policies must be canceled in accordance with the terms of all applicable cancellation provisions.

Mandatory coverages may not be canceled unless the entire policy is canceled.

If the policy is canceled or the limits or coverages are reduced, the amount of any return premium due is calculated on a pro rata basis, subject to any minimum premium requirement.

3.10 Minimum Premium

At the option of the company, a minimum annual premium charge can apply to each policy. Refer to the company for the applicable minimum charge.

3.11 Waiver Of Premium

An additional or return premium due when a policy is endorsed after its inception may be waived; however, return premiums must be refunded at the request of the insured. Refer to the company for the amount that may be waived.

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3.12 Premium Rounding

Premiums shown on the declarations may be rounded. Refer to the company for rounding procedures.

3.13 Endorsements

Information called for as entries on endorsements can instead be shown on the declarations or a supplemental schedule.

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RULE 4 -- PREMIUM DETERMINATION

4.1 Property Limits

- 4.1.1 Boats** -- The limit for each boat should be based on the actual cash value of the covered boat, including its sails, spars, fittings, and all permanently attached equipment including engines.
- 4.1.2 Other Property** -- The limit for each outboard motor and boat trailer should be based on the actual cash value of the covered item.

4.2 Liability Limits

When form BT 0100 is used to provide liability coverage, the Coverage X -- Personal Liability and Coverage Y -- Medical Payments limits must be the same for all boats described on the declarations.

4.3 Calculation Of Premium

4.3.1 Property Premium -- Boats And Motors

The following steps should be followed for each covered boat and its motor(s).

- Step 1** Determine the limit by adding the combined actual cash value for the boat and motor(s) together and rounding to the nearest \$1,000 increment.
- Step 2** Follow Steps 2.a. through 2.c. to determine the basic property premium for each boat.
- a.** Multiply the Base Property Loss Cost shown in the Loss Cost Rating Information pages by the applicable Amount of Insurance Relativity shown in the Factor Rating Information pages, based on the limit as determined in Step 1 above.
 - b.** Multiply the result of Step 2.a. by the applicable Navigational Territory Factor located in the Factor Rating Information pages. If a boat is operated in more than one territory, use the factor for the highest rated territory.
 - c.** Multiply the result of Step 2.b. by the applicable Type of Boat Factor shown in the Factor Rating Information pages.
- Step 3** Multiply the property premium determined in Step 2.c. by the applicable deductible factor shown in the Factor Rating Information pages under Rule 5, Deductibles.
- Step 4** Multiply the property premium determined in Step 3 by any applicable premium modification factors shown in the Factor Rating Information pages under Rule 6, Premium Modifications.

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4.3.2 Boat Trailer

- Step 1** To determine the premium for each boat trailer, multiply the Boat Trailer rating information shown under Rule 4.3.2 in the Loss Cost Rating Information pages by the boat trailer limit of insurance, in hundreds.
- Step 2** Multiply the premium determined in Step 1 by the applicable Boat Trailer Deductible Factor shown in the Factor Rating Information pages under Rule 5.3, Boat Trailer Deductible.
- Step 3** Multiply the premium determined in Step 2 by any applicable premium modification factors shown in the Factor Rating Information pages under Rule 6, Premium Modifications.

4.3.3 Liability Premium

- Step 1** Follow Steps 1.a. and 1.b. below to determine the basic liability premium for each boat.
- a.** Select the applicable rate group from the Liability Rate Group Chart shown below based on the horsepower and length of the boat.

LIABILITY RATE GROUP CHART

LENGTH IN FEET	HORSEPOWER						
	0-25 hp	26-65 hp	66-85 hp	86-120 hp	121-200 hp	201-300 hp	301-400 hp
0 - 11'	1	6	6	6	6	6	6
12' & 13'	1	2	3	4	5	6	6
14'	1	1	3	4	5	6	6
15'	1	1	2	3	4	5	6
16'	1	1	2	3	3	5	6
17'	1	1	2	2	3	5	6
18'	1	1	2	2	3	5	6
20' & 25'	1	1	2	2	2	3	5
26' +	1	1	1	2	2	3	4

Personal Watercraft is categorized in Rate Group 7.

If two or more motors or engines are used simultaneously, use 75% of their combined horsepower to determine horsepower. If two or more motors or engines are used interchangeably with the same boat, use the horsepower of the largest motor or engine.

- b.** Based on the rate group of each boat, select the applicable Base Liability Loss Cost shown in the Loss Cost Rating Information pages.

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- Step 2** Increased liability limits. Steps 2.a. and 2.b. apply when the Coverage X limit and/or the Coverage Y limit is increased above the basic limit shown in Rule 2.5.3, Principal Liability Coverages Basic Limits. Follow Steps 2.a. and 2.b. for each boat.
- a. If the Coverage X -- Personal Liability limit is increased, adjust the liability premium determined in Step 1.b. by the applicable factor shown in the Factor Rating Information pages under Rule 4.3.3, Liability Premium.
 - b. If the Coverage Y -- Medical Payments limit is increased, add the additional charge shown in the Loss Cost Rating Information pages (Rule 4.3.3, Liability Premium) based on the limit and the appropriate boat type, to the liability premium for each boat determined above in Step 1.b. (or 2.a. if applicable).
- Step 3** Multiply the premium determined in Step 1 (or Step 2, if applicable) by any applicable premium modification factors shown in the Factor Rating Information pages under Rule 6, Premium Modifications.
- 4.3.4 Coverage Options** -- Use the amount(s) shown in the Loss Cost Rating Information pages to determine the additional premium for any selected option as outlined in Rule 7, Coverage Options.
- 4.3.5 Total Premium** -- The total policy premium is the sum of the premiums developed for each boat under Rules 4.3.1 through 4.3.4.

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RULE 5 -- DEDUCTIBLES

A deductible amount is subtracted from all covered property losses, except the Additional Property Coverage provided for Emergency Service.

The deductible amount is subtracted only once per loss, regardless of the number of covered items affected. When a loss affects two or more items with different deductible amounts, the highest deductible amount applies. However, if we cover more than one boat, a deductible applies to each boat and its motor and boat trailer as shown on the declarations.

5.1 Flat Deductible -- Boats, Motors, And Additional Property Coverages

Several deductible options are available for boats, motors, and the additional coverages provided for boating equipment and newly acquired property. The deductible factors are shown in the Factor Rating Information pages and apply to the property premium for all boats and motors described on the declarations.

Show the deductible amount on the declarations.

5.2 Split Deductible -- Boats, Motors, And Additional Property Coverages

The deductible amount selected for boating equipment can be lower than the amount selected for boats, motors, and the additional coverages provided for newly acquired property. However, when a loss affects both boating equipment and boats, motors, or other additional property coverages, the higher deductible amount will apply. The Factor Rating Information pages show the deductible combinations that can be selected for this option. The deductible factors for this rule apply to the property premium for all boats and motors described on the declarations in lieu of the factors shown for Rule 5.1.

Show the deductible amounts on the declarations.

5.3 Boat Trailer

Deductible amounts can be selected for boat trailers. The deductible factors are shown in the Factor Rating Information pages and apply to the property premium for all boat trailers described on the declarations.

Show the deductible amount on the declarations.

5.4 Named Storm Deductible

A named storm deductible may be selected for boats, motors and additional property coverage. This deductible applies in the event of any loss caused directly or indirectly by a storm system that has been named by the National Oceanic and Atmospheric Administration (NOAA).

Show the Named Storm Deductible option on the declarations. Refer to company for rates.

Attach endorsement BT 4500 -- Named Storm Deductible.

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COUNTRYWIDE

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RULE 6 -- PREMIUM MODIFICATIONS

Premium modification factors for the rules below are displayed in the Factor Rating Information pages and are referenced by the applicable rule.

6.1 Age Of Boat

The age of boat factors apply to the property premium developed for each boat. Use the manufacture year and compare to the current year to determine the age of each boat.

6.2 Navigation Period

6.2.1 Extended Navigation Period -- Territories 1, 2, 7, and 8

The extended navigation factor applies to the property premium for each covered boat when the lay-up period required in Territories 1, 2, 7, and 8 is waived. Refer to the company to determine eligibility for the extended navigation period.

Omit endorsement BT 2000, Lay-Up Period Limitation, and indicate that the lay-up period is not applicable on the declarations.

6.2.2 Limited Navigation Period -- Territories 3, 4, 5, 6, 9, 10, and 11

The limited navigation factor applies to the property premium for each covered boat when an eight-month navigation period is voluntarily elected. The limited navigation factor is based on a four-month lay-up period.

Attach endorsement BT 2000, Lay-Up Period Limitation, and show the lay-up period on the declarations.

6.3 Agreed Value Settlement Provision

Indicate on the declarations the boat or boats to which the Agreed Value Settlement Provision applies.

The limit for each boat should be based on the full replacement value of the covered boat, including its sails, spars, and fittings, and all permanently attached equipment including engines.

The limit for each outboard motor and trailer should be based on the actual cash value of the covered item.

Use the rating information shown in the Factor Rating Information pages.

Attach endorsement BT 4800 -- Agreed Value Settlement Provision.

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6.4 Other Premium Modifications

Credit(s) and/or a surcharge can apply as explained below and shown on the Factor Rating Information pages.

- 6.4.1 Navigational Training** -- Successful completion by all operators of one or more courses sponsored by the United States Power Squadron or the United States Coast Guard Auxiliary.

A credit for navigational training applies to the property and liability premiums for all covered boats and motors.

- 6.4.2 Experienced Operator** -- In order to qualify for this credit, all operators must have at least five years of ownership and experience operating a boat similar to the boat covered under this policy.

Modifications for experienced operators apply to the property and liability premium for covered boats with which the operator(s) has experience.

- 6.4.3 Navigational Equipment, Safety Equipment, Theft Prevention Devices, And Diesel Power** -- Modifications for navigational equipment, safety equipment, theft prevention devices, and diesel power apply only to the property premium for the covered boat, motor, and/or boat trailer that is so equipped. Modifications for a trailer ball locking device apply to the property premium for both the covered boat trailer and the boat(s) towed by that trailer.

Apply credits as shown in the Factor Rating Information pages. The maximum sum of the credits permitted under this rule is 25%.

- 6.4.4 Multiple Owner Surcharge** -- Apply the Multiple Owner Surcharge, shown in the Factor Rating Information pages, to boats, motors and trailers titled in the name of two or more individuals not residing in the same household.

The Multiple Owner Surcharge applies to all coverages for each boat, trailer and motor with multiple owners.

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RULE 7 -- COVERAGE OPTIONS

7.1 Boating Equipment -- Increased Limit

The basic limit that applies to boating equipment can be increased. The basic limit for loss or damage to boating equipment is \$2,500. However, the limit for boating equipment in, on, or cast from a personal watercraft is \$500. Use the rating information shown in the Loss Cost Rating Information pages. No adjustments for the deductible option selected apply. Show the total Boating Equipment limit on the declarations.

7.2 Expanded Emergency Service

In addition to coverage for towing and labor at the place of disablement, emergency service coverage can be expanded to include delivery of fuel, oil, or a battery or changing a boat trailer tire. Use the rating information shown in the Loss Cost Rating Information pages. This coverage does not include the cost of fuel, oil, batteries, or tires. No deductible applies. Show the Emergency Service limit on the declarations.

Attach endorsement BT 2500 -- Expanded Emergency Service.

7.3 Personal Effects Coverage

Coverage for loss to personal effects owned by an insured or guest while the personal effects are aboard or being loaded onto or off of covered property can be purchased for an additional premium. Use the rating information shown in the Loss Cost Rating Information pages. See the Personal Effects Coverage Endorsement for a description of property covered and not covered. Show the Personal Effects limit on the declarations.

Attach endorsement BT 3000 -- Personal Effects Coverage.

7.4 Uninsured Boater Limit

The basic limit that applies to Uninsured Boater can be increased. All covered boats must have the same Uninsured Boater limit. The Uninsured Boater limit may not be greater than the Personal Liability limit. Use the rating information shown in the Loss Cost Rating Information pages. A charge applies to each boat. Show the Uninsured Boater limit on the declarations.

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RULE 8 -- NAVIGATIONAL TERRITORIES

Property rating information in this manual is shown for boats operated in the following navigational territories. If the boat is operated in more than one territory, use the rating information for the highest rated territory.

Territory 1 -- Alaska

Coastal waters of Alaska. The Territory 1 rating information is based on an eight-month period.

Territory 2 -- Pacific North

Coastal waters of the Pacific Ocean off the coasts of Washington and Oregon. The Territory 2 rating information is based on an eight-month period.

Territory 3 -- Pacific South

Coastal waters of the Pacific Ocean off the coasts of California and Hawaii.

Territory 4 -- Inland - West

Inland waters of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, North Dakota, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

Territory 5 -- Inland - Central

Waters of Missouri, Kentucky, and Tennessee.

Territory 6 -- Inland - East

Inland waters of Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maine, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, and Wisconsin.

Territory 7 -- Great Lakes

Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, and Lake Superior. The Territory 7 rating information is based on an eight-month period.

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Territory 8 -- Atlantic North

Coastal waters of Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, and Rhode Island. The Territory 8 rating information is based on an eight-month period.

Territory 9 -- Atlantic South

Coastal waters of Georgia, North Carolina, South Carolina, and Virginia.

Territory 10 -- Gulf West

Coastal waters of Alabama, Louisiana, Mississippi, and Texas.

Territory 11 -- Florida and Puerto Rico

Coastal waters of Florida and Puerto Rico.

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FACTOR RATING INFORMATION

NAVIGATIONAL TERRITORY	FACTOR	TYPE OF BOAT	FACTOR
1. Alaska	2.00	Bass	1.20
2. Pacific North	1.05	Outboard	.90
3. Pacific South	1.10	Personal Watercraft	1.50
4. Inland - West	.65	Power -- outboard /	
5. Inland - Central	.70	in and outboard	1.00
6. Inland - East	.60	Sail	.70
7. Great Lakes	.70		
8. Atlantic North	.85		
9. Atlantic South	1.00		
10. Gulf West	1.00		
11. Florida And Puerto Rico	1.50		

AMOUNT OF INSURANCE RELATIVITIES

LIMITS	RELS	LIMITS	RELS	LIMITS	RELS
\$1,000	0.300	\$26,000	1.960	\$51,000	3.460
2,000	0.388	27,000	2.020	52,000	3.520
3,000	0.476	28,000	2.080	53,000	3.580
4,000	0.564	29,000	2.140	54,000	3.640
5,000	0.650	30,000	2.200	55,000	3.700
6,000	0.720	31,000	2.260	56,000	3.760
7,000	0.790	32,000	2.320	57,000	3.820
8,000	0.860	33,000	2.380	58,000	3.880
9,000	0.930	34,000	2.440	59,000	3.940
10,000	1.000	35,000	2.500	60,000	4.000
11,000	1.060	36,000	2.560	61,000	4.060
12,000	1.120	37,000	2.620	62,000	4.120
13,000	1.180	38,000	2.680	63,000	4.180
14,000	1.240	39,000	2.740	64,000	4.240
15,000	1.300	40,000	2.800	65,000	4.300
16,000	1.360	41,000	2.860	66,000	4.360
17,000	1.420	42,000	2.920	67,000	4.420
18,000	1.480	43,000	2.980	68,000	4.480
19,000	1.540	44,000	3.040	69,000	4.540
20,000	1.600	45,000	3.100	70,000	4.600
21,000	1.660	46,000	3.160	71,000	4.660
22,000	1.720	47,000	3.220	72,000	4.720
23,000	1.780	48,000	3.280	73,000	4.780
24,000	1.840	49,000	3.340	74,000	4.840
25,000	1.900	50,000	3.400	75,000	4.900

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FACTOR RATING INFORMATION

RULE

4.3 CALCULATION OF PREMIUM

4.3.3 LIABILITY PREMIUM

INCREASED PERSONAL LIABILITY LIMIT

LIMIT	FACTOR
\$300,000	1.33
\$500,000	1.48
\$1,000,000	1.83

5 DEDUCTIBLES

5.1 FLAT DEDUCTIBLE - Boats, Motors, and Additional Property Coverages

DEDUCTIBLE	FACTOR
\$100	1.10
250	1.00
500	.90
1,000	.82
2,500	.78
5,000	.72

5.2 SPLIT DEDUCTIBLE - Boats, Motors, and Additional Property Coverages

Boating Equipment / Boats, Motors, and Other Additional Property Coverages

SPLIT DEDUCTIBLE	FACTOR
\$ 50 / \$100	1.12
\$100 / \$250	1.02
\$100 / \$500	.94
\$100 / \$1,000	.86
\$250 / \$2,500	.80
\$250 / \$5,000	.75

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FACTOR RATING INFORMATION

RULE

5 DEDUCTIBLES - Continued

5.3 BOAT TRAILER

DEDUCTIBLE	FACTOR
\$100	1.10
250	1.00
500	.90

6 PREMIUM MODIFICATIONS

6.1 AGE OF BOAT

AGE OF BOAT	FACTOR
0 - 5 Years	1.00
6 - 10 Years	1.10
11 - 15 Years	1.20
16 - 20 Years	1.35
Over 21 Years	1.50

6.2 NAVIGATION PERIOD

6.2.1 EXTENDED NAVIGATION PERIOD 1.35
Territories 1, 2, 7, and 8

6.2.2 LIMITED NAVIGATION PERIOD .80
Territories 3, 4, 5, 6, 9, 10, and 11

6.3 AGREED VALUE SETTLEMENT PROVISION 1.10

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FACTOR RATING INFORMATION

RULE

6.4	OTHER PREMIUM MODIFICATIONS	CREDIT
6.4.1	NAVIGATIONAL TRAINING	5%
6.4.2	EXPERIENCED OPERATOR	5%
6.4.3	NAVIGATIONAL EQUIPMENT, SAFETY EQUIPMENT, THEFT PREVENTION DEVICES, AND DIESEL POWER	
	EQUIPMENT OR DEVICE	CREDIT
	Fire And Smoke Alarm Systems	2.5%
	Built-In Fire Extinguisher System (Carbon Dioxide or Halon)	5.0%
	Ship-To-Shore Radio	2.5%
	Depth Sounder / Finder	2.5%
	Radar	2.5%
	Diesel Powered	10.0%
	Fume Or Vapor Detection System	2.5%
	Trailer Ball Locking Device	2.5%
	Theft Prevention Device	2.5%
		SURCHARGE
6.4.4	MULTIPLE OWNER SURCHARGE	20%

AMERICAN ASSOCIATION OF INSURANCE SERVICES BOATOWNERS MANUAL

ARKANSAS

STATE EXCEPTIONS

RULE 4 -- PREMIUM DETERMINATION

Rule 4.2 Liability Limits, is deleted and replaced by the following:

4.2 Liability Limits

When form BT 0100 is used to provide liability coverage, Coverage X, Personal Liability and Coverage Y, Medical Payments limits must be the same for all boats described on the declarations.

The state of Arkansas requires the owners of motorboats of more than 50 horsepower and all personal watercraft to maintain a minimum liability limit of \$50,000.

SERFF Tracking Number: AMAX-125708415 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$50
Company Tracking Number: AAIS-2008-26R
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Rules & Factors - AAIS-2008-26R/AAIS-2008-26R

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 06/26/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC RATE RULE FILING SCHEDULE.PDF

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Filed 06/26/2008

Comments:

Attachment:

AR - RATE FILING ABSTRACT RF-1.PDF

Bypassed -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** Filed 06/26/2008

Bypass Reason: N/A to this filing

Comments:

Satisfied -Name: BT CW Rules Filing Memo **Review Status:** Filed 06/26/2008

Comments:

Attachment:

BT CW Rules Filing Memo.PDF

Satisfied -Name: BT Actuarial Memo **Review Status:** Filed 06/26/2008

Comments:

Attachment:

BT Actuarial Memo.PDF

SERFF Tracking Number: AMAX-125708415 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$50
Company Tracking Number: AAIS-2008-26R
TOI: 09.0 Inland Marine Sub-TOI: 09.0006 Other Personal Inland Marine
Product Name: Boatowners
Project Name/Number: CW BT 05 08 Rules & Factors - AAIS-2008-26R/AAIS-2008-26R

Review Status:
Satisfied -Name: BT Actuarial Exhibits A, B, & C Filed 06/26/2008
Comments:
Attachment:
BT Actuarial Exhibits A, B, & C.PDF

Review Status:
Satisfied -Name: BT CW Manual 05 08 to BT CW Manual 2.0 Filed 06/26/2008
Comments:
Attachment:
BT CW Manual 05 08 to BT CW Manual 2_0.PDF

Review Status:
Satisfied -Name: AR State Exception Page Rev 05 08 to Rev 2.0 Filed 06/26/2008
Comments:
Attachment:
AR State Exception Page Rev 05 08 to Rev 2_0.PDF

Review Status:
Satisfied -Name: AR Personal Lines Rules Company Action Exhibit Filed 06/26/2008
Comments:
Attachment:
AR Personal Lines Rules Company Action Exhibit.PDF


Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name					Group NAIC #
					0000
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #	
American Association of Insurance Services	DE	31400	36-2021360		

5. Company Tracking Number	AAIS-2008-26R
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Norma Jean Knight 1745 South Naperville Road Wheaton IL 60187-8132	Filings/Compliance Specialist	800-564-2247 Ext. 243	630-681-8356	normak@aaisonline.com
7. Signature of authorized filer				
8. Please print name of authorized filer	Norma Jean Knight			

Filing Information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	09.0 Inland Marine
10. Sub-Type of Insurance (Sub-TOI)	09.0006 Other Personal Inland Marine
11. State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12. Company Program Title (Marketing Title)	Boatowners Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 12/01/2008 Renewal: N/A
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	We are the rating organization
17. Reference Organization # & Title	
18. Company's Date of Filing	06/24/08
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	AAIS-2008-26R
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

Re: AAIS-2008-26R
 Boatowners Program
 Manual Rules and Supplemental Rating Information (Rev 05 08)

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the AAIS Boatowners Program. Our filing consists of an updated countrywide manual of manual rules and supplemental rating information.(Rev 05 08).

The Filing Memorandums provide detailed descriptions of the changes and additions being proposed at this time. Copies of all materials are enclosed.

We propose that the filing become effective December 1, 2008. Companies will be advised to take the filing action outlined in the attached company action exhibit.

In a separate companion filing identified as "AAIS-2008-26F" we have submitted new and/or revised forms and endorsements.

In a separate companion filing identified as "AAIS-2008-26LC" we have submitted new and/or revised loss costs.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

22.	Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #:</p> <p>Amount: \$50.00</p> <p>Fees submitted via EFT</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PROPERTY & CASUALTY RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	AAIS-2008-26R
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	AAIS-2008-26F, AAIS-2008-26LC
-----------	---	-------------------------------

☐ Rate Increase
 ☒ Rate Decrease
 ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)
-----------	--

4a.	Rate Change by Company (As Proposed)
------------	---

Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)
American Association of Insurance Services		-6.6	\$ -1,361	Unknown	\$ 20,615	0	0

4b.	Rate Change by Company (As Accepted) For State Use Only
------------	--

Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate indication(when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing - Number of policyholders affected		

6.	Overall percentage of last rate revision	-20
7.	Effective Date of last rate revision	07/01/2000
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Index i - ii, Rules 1 - 23 Rev 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Factor Rating Info 1 - 4 Rev 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03	Arkansas - 1 Rev 05 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AAIS-2008-26R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	

		Company Name		Company NAIC Number
3.	A.	American Association of Insurance Services	B.	0000-31400

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	09.0 Inland Marine	B.	09.0006 Other Personal Inland Marine

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Boatowners Program		-6.6%	This does not apply to a filing of loss costs by an advisory organization.				
TOTAL OVERALL EFFECT							

6.		5 Year History		Rate Change History				7.	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	Expense Constants	Selected Provisions
2000	This information is not readily available	-20%	07/01/00	This information is not readily available			1999-70.8%	A. Total Production Expense	This does not apply to an advisory organization.
							2000-35.7%	B. General Expense	
							2001-29.2%	C. Taxes, License & Fees	
							2002-34.9%	D. Underwriting Profit & Contingencies	
							2003-35.2%	E. Other (explain)	
								F. TOTAL	

8. NA Apply Lost Cost Factors to Future filings? (Y or N)
9. NA Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. NA Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): _____

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
RULES AND SUPPLEMENTARY RATING INFORMATION
FILING MEMORANDUM**

The American Association of Insurance Services (AAIS) is filing a revised Boatowners Program consisting of revised manual rules and rating information. AAIS is also filing two companion filings: one for forms/endorsements and another for loss cost rating information.

Within this memorandum, a description of the significant changes to each rule is provided. A copy of the countrywide Boatowners manual Revision 05 08 and factor rating information pages are being submitted for approval and are enclosed with this filing. Any state-specific rule is shown in the State Exception pages. A side-by-side exhibit comparing the Countrywide Boatowners Manual Revision 05 08 to the Countrywide Boatowners Manual Revision 2.0 is attached. Also included with this filing is a Countrywide Boatowners Actuarial Filing Memo.

EDITORIAL REVISIONS

Where appropriate, rules have been revised to include additional information regarding the terms and conditions of the pertinent endorsements and policy forms. These changes are editorial in nature and have been included for the purpose of clarifying the scope of coverage provided.

Other minor editorial revisions have been made to the rules to facilitate ease of use. Rule revisions of an editorial nature are not addressed in this filing memo.

RULE REVISIONS

The major changes to the countrywide rules are identified and explained in the remaining pages of this filing memo. None of the factors have been modified unless a change is described in this filing memo.

A "Reserved For Future Use" section has been added at the end of each rule.

RATING FACTORS AND RELATIVITIES

The rating factors and modifiers, which are considered supplementary rating information, are now located on Factor Rating Information Pages. The changes to the countrywide rating factors and relativities are identified and explained in the following pages. Any state-specific factor is shown in the State Exception pages.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
COUNTRYWIDE BOATOWNERS PROGRAM
RULES AND SUPPLEMENTARY RATING INFORMATION
FILING MEMORANDUM**

RULE 1 -- ELIGIBILITY

1.1 Eligible Property

The rule has been modified to extend eligibility to boats that are 20 years or less in age and capable of maximum speeds not greater than 50 mph.

RULE 2 -- PROGRAM DESCRIPTION

2.1 Form BT 0100

The rule has been modified to reflect the ability to use the program to provide liability and uninsured boater coverages only.

2.4 Property Loss Settlement Provisions

Property losses are settled on an actual cash value basis.

2.6 Uninsured Boater

Higher per accident limits are now available in addition to the basic limits included with liability coverages.

RULE 3 -- POLICY WRITING INSTRUCTIONS

3.4 Coverage Territory

The coverage territory extends to 100 miles from the coastline of the United States and Canada. For personal watercraft, the coverage territory is limited to 10 miles from the coastline of the United States and Canada.

3.6 Additional Interests

The rule now references the new endorsement BT 6003 which is used for additional interests when an Agreed Value Settlement Provision is applicable.

3.7 Additional Insureds

A new rule is added to support the new endorsement BT 6001 Additional Insured which provides coverage for vicarious tort liability resulting from an insured's ownership, maintenance or use of covered property.

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RULE 4 -- PREMIUM DETERMINATION

The Premium Determination rule has been updated to include premium determination procedures for Factor Rating. Factor Rating is a new mechanism for providing elements used in determining the Boatowners basic policy premium along with a corresponding rating procedure. AAIS is providing the elements used to calculate the basic premium in a new format that will simplify the process used by companies to update automated rating system. The current loss cost tables have been converted to a simplified combination of base loss costs and rating factors.

4.3 Calculation Of Premium

The calculation of premium rule has been rewritten to outline the steps required to determine the premium for property and liability in greater detail.

4.3.1 Property Premium -- Boats and Motors

The steps outlined are to be followed for each covered boat and its motor(s). The basic property premium is determined by multiplying the Base Property Loss Cost by the applicable Amount of Insurance Relativity. The result is multiplied by the Navigational Territory Factor and then by the Type of Boat Factor.

4.3.3 Liability Premium

The liability rate groups under the revised program are based on the length and horsepower of the boat rather than the length and maximum speed. If two or more motors or engines are used simultaneously, 75% of their combined power is used to determine the applicable horsepower. If two or more motors or engines are used interchangeably, the horsepower of the largest motor or engine should be used.

RULE 5 -- DEDUCTIBLES

Deductible factors are now located in the Factor Rating Information pages. The first paragraph has been updated to show that if more than one boat is covered, a deductible applies to each boat.

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5.4 Named Storm Deductible

This new rule has been added to support the new endorsement BT 4500 Named Storm Deductible. The deductible applies in the event of a storm named by the National Oceanic and Atmospheric Administration (NOAA). The rule instructs the manual user to refer to the company for rates.

RULE 6 -- PREMIUM MODIFICATIONS

6.2 Navigation Period

6.2.1 Extended Navigation Period -- Territories 1, 2, 7, and 8

The rule has been updated to reflect the new Navigational Territories.

6.2.2 Limited Navigation Period -- Territories 3, 4, 5, 6, 9, 10 and 11

As with Extended Navigation Period, the rule has been updated to reflect the new Navigational Territories. In addition, the 15 day extension of coverage before and after the four-month lay-up period has been removed.

6.3 Agreed Value Settlement Provision

This new rule is added to support the BT 4800 Agreed Value Settlement Provision endorsement.

6.4 Other Premium Modifications

6.4.1 Navigational Training

This new rule was previously included under "Other Premium Modifications" which also included navigational or safety equipment, theft prevention devices, and diesel power.

6.4.2 Experienced Operator

The rule has been added for a new premium credit. In order to qualify for the credit all operators must have at least five years of ownership and experience operating a boat similar to the boat covered under the policy.

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6.4.3 Navigational Equipment, Safety Equipment, Theft Prevention Devices, and Diesel Power

This new rule was previously included under "Other Premium Modification" which also included navigational training.

6.4.4 Multiple Owner Surcharge

This rule is added for a new surcharge. The Multiple Owner Surcharge applies to boats, motors, and trailers titled in the name of two or more individuals not residing in the same household.

RULE 7 - COVERAGE OPTIONS

7.1 Boating Equipment -- Increased Limit

The rule replaces the Miscellaneous Property -- Increased Limit rule in the current manual. With the proposed program, Boating Equipment replaces Miscellaneous Property in the Additional Property Coverage section of the form. The basic limit for loss or damage to boating equipment is \$2,500. However the limit for boating equipment in, on, or cast from a personal watercraft is \$500.

7.2 Expanded Emergency Service

The rule has been modified to reflect the changes made in the endorsement.

7.3 Personal Effects Coverage

The rule is added to support the new endorsement BT 3000 Personal Effects Coverage. Coverage for personal effects owned by an insured or guest can be purchased for an additional premium.

7.4 Uninsured Boater Limit

With the proposed program, the basic limit that applies to Uninsured Boater can be increased. All covered boats must have the same Uninsured Boater limit and the Uninsured Boater limit may not be greater than the Personal Liability limit.

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RULE 8 -- NAVIGATIONAL TERRITORIES

The navigational territories have been redefined and increased from 5 territories to 11 territories. The navigational territories are listed below.

Territory 1 -- Alaska

Coastal waters of Alaska. The Territory 1 rating information is based on an eight-month period.

Territory 2 -- Pacific North

Coastal waters of the Pacific Ocean off the coasts of Washington and Oregon. The Territory 2 rating information is based on an eight-month period.

Territory 3 -- Pacific South

Coastal waters of the Pacific Ocean off the coasts of California and Hawaii.

Territory 4 -- Inland - West

Inland waters of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, North Dakota, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

Territory 5 -- Inland - Central

Waters of Missouri, Kentucky, and Tennessee.

Territory 6 -- Inland - East

Inland waters of Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maine, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, and Wisconsin.

Territory 7 -- Great Lakes

Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, and Lake Superior. The Territory 7 rating information is based on an eight-month period.

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Territory 8 -- Atlantic North

Coastal waters of Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, and Rhode Island. The Territory 8 rating information is based on an eight-month period.

Territory 9 -- Atlantic South

Coastal waters of Georgia, North Carolina, South Carolina, and Virginia.

Territory 10 -- Gulf West

Coastal waters of Alabama, Louisiana, Mississippi, and Texas.

Territory 11 -- Florida and Puerto Rico

Coastal waters of Florida and Puerto Rico.

RULES NO LONGER APPLICABLE

The following current countrywide rules have been omitted from the proposed countrywide manual:

7.3 Personal Watercraft Towing Exclusion Deleted

This rule has been deleted from the proposed manual as a counterpart to endorsement BT 0008 has not been filed.

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FACTOR RATING INFORMATION

As indicated above, the Factor Rating Information pages are being filed with the manual rules. Below is a summary of the changes made to factor rating.

Rule 4 - PREMIUM DETERMINATION

4.3.1. Property Premium -- Boats and Motors

Step 2 b. -- Navigational Territory

Navigational territory factors have been developed to align with the redefined Navigational Territories. The impact of the territorial changes is 7.1%. This is offset by the base loss cost. The filed impact of the revisions on a countrywide basis is 0.0%. Rating for territorial relativity is based on boating statistics presented by the U.S. Coast Guard.

Step 2 c. -- Type Of Boat

A new factor of .90 for boats powered by outboard motors has been added.

4.3.3 Liability Premium

Additional increased Personal Liability limits are available with the proposed program. The rates for the increased amount are based on an exponential function.

RULE 5 - DEDUCTIBLES

Increased deductible options are introduced with the proposed program. An exponential function was used to establish the increased limit factors for the deductible options.

RULE 6 - PREMIUM MODIFICATIONS

6.1 Age of Boat

Factor rating information is now provided for boats over 15 years in age. An exponential function was used to establish the factors for older boats.

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6.2.2 Limited Navigation Period -- Territories 3, 4, 5, 6, 9, 10, and 11

The factor associated with Limited Navigation Period has been increased. The factors were established based on data obtained from U.S. Coast Guard and a review of competitor information.

6.3 Agreed Value Settlement Provision

A factor of 1.1 was established for the optional Agreed Value Settlement Provision. The factor was established based on a review of competitor information.

6.4.2 Experienced Operator

A credit of 5% will apply when the boat is owned and operated by individuals with 5 or more years of experience owning and operating a boat similar to the boat covered under the policy.

6.4.3 Navigational Equipment, Safety Equipment, Theft Prevention Devices, and Diesel Power

A maximum sum of the credits permitted under this rule is 25%. Navigational Training (Rule 6.4.1) will no longer be included in this limit.

6.4.4 Multiple Owner Surcharge

A surcharge will apply when a boat is owned by two or more unrelated individuals. The surcharge of 20% was set based on a review of competitor information.

AMERICAN ASSOCIATION OF INSURANCE SERVICES BOATOWNERS PROGRAM

ACTUARIAL FILING MEMO -- COUNTRYWIDE

SUMMARY OF CHANGES

The American Association of Insurance Services (AAIS) is pleased to submit proposed changes to its Boatowners Program.

In this filing, AAIS proposes the following:

- ✓ Change the base rate;
- ✓ Change territories and territorial relativities;
- ✓ Credit for power boats with an outboard motor;
- ✓ Revise class rating for the liability component reflecting length and horsepower;
- ✓ Cap the limits for medical payments coverage;
- ✓ Introduce additional Personal Liability limits;
- ✓ Increase the deductible options;
- ✓ Introduce optional Uninsured Boater limits;
- ✓ Introduce rates for optional Personal Effects coverage;
- ✓ Change the Limited Navigation Period factor;
- ✓ Enhance the age of boat rating for early model boats;
- ✓ Discount for operator experience;
- ✓ Surcharge for multiple owners; and,
- ✓ Surcharge for agreed value coverage.

Exhibit A displays the premium distribution by territory for the boatowners program based on 2006 calendar year written premium. The impact is also displayed.

As shown in Exhibit A, the countrywide impact of the territorial changes is 7.1% which was offset in the base rate. AAIS has assumed that remaining changes which are not measurable net to an immaterial impact. Therefore, the filed impact of these revisions on a countrywide basis is 0.0%.

Historical premium and loss data is limited and has no credibility for actuarial analysis. The AAIS review of the boatowners rating generally concentrated on competitive information with one exception. The territorial review was based on a proxy for territorial relativities as estimated using boating statistics presented by the U.S. Coast Guard. However, the boating statistic data only captures accidents; losses due to hurricanes as an example are not represented.

As the volume of data grows with the approval of these revisions, AAIS plans to monitor the territorial loss experience and further adjust the rating as needed.

Exhibit A displays the proposed territorial relativities and the proposed base rate. Exhibit B displays the calculation of the property damage relativity, and Exhibit C displays the calculation of the frequency relativity.

Exhibit A

**American Association of Insurance Services
Boatowners - Selected Relativity by Region**

<u>Territory</u>	Exhibit B Pure Premium <u>Rel</u> (1)	Exhibit C Frequency <u>Rel</u> (2)	Average <u>Rel</u> (3)	75% <u>Tempered</u> (4)	Selected <u>Rel</u> (5)	Current <u>Rel</u> (6)	Territorial Relativity <u>Impact</u> (7)	<u>Distribution</u> (8)	Impact After <u>Offset</u> (9)
Alaska	5.59	2.78	4.19	1.80	2.00	0.75	166.7%	0.0%	149.0%
Florida	2.78	1.79	2.29	1.32	1.50	1.00	50.0%	0.0%	40.1%
Gulf West	0.59	0.78	0.69	0.92	1.00	1.00	0.0%	0.3%	-6.6%
Pacific South	1.92	1.74	1.83	1.21	1.10	0.75	46.7%	0.0%	37.0%
Pacific North	1.24	0.99	1.11	1.03	1.05	0.75	40.0%	0.0%	30.7%
Atlantic South	1.00	1.00	1.00	1.00	1.00	1.00	0.0%	0.0%	-6.6%
Atlantic North	1.33	1.25	1.29	1.07	0.85	0.70	21.4%	24.0%	13.4%
Great Lakes	0.29	0.54	0.42	0.85	0.70	0.60	16.7%	2.4%	9.0%
Inland Central	1.78	1.34	1.56	1.14	0.70	0.60	16.7%	3.2%	9.0%
Inland West	0.86	1.60	1.23	1.06	0.65	0.60	8.3%	12.0%	1.2%
Inland East	0.20	0.46	0.33	0.83	0.60	0.60	0.0%	58.1%	-6.6%
Overall Territorial Relativity Impact							7.1%		
Current Base Rate							200.00		
Proposed Base Rate Offset for Territorial Relativity Impact							186.78		

Exhibit B

American Association of Insurance Services Boatowners - U.S. Coast Guard Boating Statistics - Accident Property Damage Relativity

<u>Territory</u>	2004-2006 Registered <u>Boats</u> (1)	2004-2006 Trended Property <u>Damage</u> (2)	Property Damage Pure Premium <u>(2) / (1)</u> (3)	Property Damage Pure Premium <u>Relativity</u> (4)
Alaska	147,885	2,644,833	17.88	5.59
Florida	2,908,583	25,837,463	8.88	2.78
Gulf West	4,149,700	7,807,517	1.88	0.59
Pacific South	2,796,086	17,195,611	6.15	1.92
Pacific North	1,368,732	5,412,805	3.95	1.24
Atlantic South	4,053,166	12,956,772	3.20	1.00
Atlantic North	4,451,457	18,986,106	4.27	1.33
Great Lakes	6,995,608	6,530,384	0.93	0.29
Inland Central	2,307,175	13,104,678	5.68	1.78
Inland West	3,281,083	9,021,566	2.75	0.86
Inland East	5,802,924	3,662,820	0.63	0.20

Exhibit C

American Association of Insurance Services Boatowners - U.S. Coast Guard Boating Statistics - Accident Frequency Relativity

<u>Territory</u>	2004-2006 Registered <u>Boats</u> (1)	2004-2006 <u>Accidents</u> (2)	Accident Frequency <u>(2) / (1) x 1000</u> (3)	Accident Frequency <u>Relativity</u> (4)
Alaska	147,885	154	1.04	2.78
Florida	2,908,583	1,949	0.67	1.79
Gulf West	4,149,700	1,214	0.29	0.78
Pacific South	2,796,086	1,824	0.65	1.74
Pacific North	1,368,732	506	0.37	0.99
Atlantic South	4,053,166	1,516	0.37	1.00
Atlantic North	4,451,457	2,083	0.47	1.25
Great Lakes	6,995,608	1,413	0.20	0.54
Inland Central	2,307,175	1,154	0.50	1.34
Inland West	3,281,083	1,969	0.60	1.60
Inland East	5,802,924	993	0.17	0.46

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This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.

Throughout the revised manual, the following changes are made:

- ✦ **A "Reserved for future use" section has been added to each rule**
- ✦ **Reference to Coverage X or Coverage Y now includes the coverage title, i.e.: Coverage X -- Personal Liability and Coverage Y -- Medical Payments**
- ✦ **Form numbers are updated to reflect form numbers applicable to the 05 08 program.**
- ✦ **Whenever another rule is referenced, that rule number is identified.**

<p>RULE 1 -- ELIGIBILITY</p> <p>1.1 Eligible Property</p> <p>The Boatowners Special Form, BT 0100, may be used to cover boats that meet all of the following requirements:</p> <ul style="list-style-type: none"> -- Owned by individuals for personal pleasure use -- 30 feet or less in overall length -- Capable of maximum speeds not greater than 50 MPH (does not apply to personal watercraft) -- 20 years or less in age -- Valued at \$75,000 or less <p>Use the combined values of the boat and motor(s) to determine the eligibility status for boats powered by outboard motors.</p> <p>The Boatowners Special Form may also be used to cover boat trailers used to transport one or more covered boats.</p> <p>A company that limits eligibility to exclude personal watercraft may attach endorsement BT 2001, Personal Watercraft Exclusion. When endorsement BT 2001 is attached, coverage for non-owned and newly acquired personal watercraft does not apply.</p> <p>For any boat that does not meet the above requirements, refer to the company.</p> <p><i>The maximum speed eligible under the program has been increased to 50 mph. The age eligibility has been increased from 15 years to 20 years.</i></p> <p><i>Minor editorial revisions.</i></p>	<p>RULE 1 -- ELIGIBILITY</p> <p>1.1 Eligible Property</p> <p>The Boatowners Special Form, BT 0100, may be used to cover boats that meet all the following requirements:</p> <ul style="list-style-type: none"> -- Owned by individuals for personal pleasure use -- 30 feet or less in overall length -- Capable of maximum speeds not greater than 45 MPH (does not apply to personal watercraft) -- 15 years or less in age -- Valued at \$75,000 or less <p>Use the combined values of the boat and motor(s) to determine the eligibility status for boats powered by outboard motors.</p> <p>The Boatowners Special Form may also be used to cover trailers used to transport one or more covered boats.</p> <p>A company that limits eligibility to exclude personal watercraft may attach endorsement BT 0009. When endorsement BT 0009 is attached, coverage for substitute, non-owned, and newly acquired personal watercraft does not apply.</p> <p>Refer to the company any boat that does not meet the above requirements.</p>
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<p>1.2 Ineligible Property</p> <p>The following are not eligible for coverage under this program:</p> <ul style="list-style-type: none"> -- Air propelled or air powered boats -- Amphibious vehicles -- Boats powered by converted automobile engines -- Boats used or developed for experimental purposes -- Converted military surplus vessels -- Home-built or kit-built boats -- House boats used as year-round or seasonal residences -- Hovercraft -- Hydrofoils or Hydroplanes -- Ice boats -- Power boats owned for racing purposes -- Property used for business, charter, or other commercial purposes -- Sailboards or windsurfers -- Submersible watercraft <p>1.3 Reserved For Future Use</p>	<p>1.2 Ineligible Property</p> <p>The following are not eligible for coverage under this program:</p> <ul style="list-style-type: none"> -- Air propelled or powered boats -- Amphibious vehicles -- Boats powered by converted automobile engines -- Boats used or developed for experimental purposes -- Converted military surplus vessels -- Home-built or kit-built boats -- House boats used as year-round or seasonal residences -- Hovercraft -- Hydrofoils or Hydroplanes -- Ice boats -- Power boats owned for racing purposes -- Property used for business, charter, or other commercial purposes -- Sailboards or windsurfers -- Submersible watercraft
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<p>RULE 2 -- PROGRAM DESCRIPTION</p> <p>A general description of the coverage provided by the Boatowners Special Form follows. The form and any applicable endorsements state the complete conditions.</p> <p>2.1 Form BT 0100</p> <p>The Boatowners Special Form, BT 0100, can be used to provide:</p> <ul style="list-style-type: none"> -- property, liability, and uninsured boater coverages; -- only property coverage; or -- only liability and uninsured boater coverage. <p>When form BT 0100 is used to provide liability coverage, a separate liability charge must be made for each boat described on the declarations.</p> <p><i>The revised program can be used to provide only liability coverage.</i></p> <p>2.2 Principal Property Coverages</p> <p>Coverage is provided for boats, motors, and boat trailers described on the declarations. A separate limit must be shown for each covered item.</p> <p>2.2.1 Boats -- "Boat" means a watercraft. The limit shown on the declarations for each covered boat applies to the hull and to sails, spars, fittings, and all permanently attached equipment. This includes built-in engines, but not outboard motors.</p> <p>2.2.2 Motors -- "Motor" means an outboard motor, including start up equipment and controls, batteries, electric harnesses, fuel tanks, and other pressure control tanks.</p>	<p>RULE 2 -- PROGRAM DESCRIPTION</p> <p>A general description of the coverage provided by the Boatowners Special Form follows. The form and any applicable endorsements state the complete conditions.</p> <p>2.1 Form BT 0100</p> <p>The Boatowners Special Form, BT 0100, can be used to provide</p> <ul style="list-style-type: none"> -- property, liability, and uninsured boaters coverages for all covered boats; or -- only property coverage for all covered boats. <p>When form BT 0100 is used to provide liability coverage, a separate liability charge must be made for each boat described on the declarations.</p> <p>When form BT 0100 is not used to provide liability coverage, make entries on the declarations to show that personal liability, medical payments, and uninsured boaters coverages do not apply.</p> <p>2.2 Principal Property Coverages</p> <p>Coverage is provided for boats, motors, and boat trailers described on the declarations. A separate limit must be shown for each covered item.</p> <p>2.2.1 Boats -- "Boat" means a watercraft. The limit shown on the declarations for each covered boat applies to the hull and to sails, spars, fittings, and all permanently attached equipment. This includes built-in engines, but not outboard motors.</p> <p>2.2.2 Motors -- "Motor" means an outboard motor, including start up equipment and controls, electric harnesses, fuel tanks, and other pressure control tanks.</p>
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<p>2.2.3 Boat Trailer -- "Boat trailer" means a trailer designed specifically for transporting a boat.</p> <p>2.3 Covered Losses</p> <p>Covered property is insured against direct risks of physical loss that are not specifically excluded by the terms of the form.</p> <p><i>The title of the rule is changed. No change in intent.</i></p> <p>2.4 Property Loss Settlement Provisions</p> <p>Property losses are settled on an actual cash value basis. Payment will not exceed the actual cash value, the cost to repair or replace the property, or the limit for the damaged or lost property. The limit for the property should reflect 100% of the actual cash value of the property at the inception/renewal date of the policy. The applicable deductible on the declarations will be applied.</p> <p>Show the property limits on the declarations when property coverage applies.</p> <p><i>With the revised program, all losses are settled on an actual cash value basis. Payment will not exceed the actual cash value, the cost to repair or replace the property, or the limit for the damaged or lost property. The limit for the property should reflect the actual cash value of the property.</i></p>	<p>2.2.3 Boat Trailers -- "Boat trailer" means a trailer designed specifically for transporting a boat.</p> <p>2.3 Perils Covered</p> <p>Covered property is insured against direct risks of physical loss that are not specifically excluded by the terms of the form.</p> <p>2.4 Property Loss Settlement Provisions</p> <p>2.4.1 Stated Value -- When total or constructive total loss occurs to a boat described on the declarations, coverage applies on a stated value basis.</p> <p>2.4.2 Replacement Cost -- When repair or replacement is made for partial loss to a boat described on the declarations, coverage applies on a replacement cost basis. Replacement cost coverage is not provided for sails, canvas, or rigging.</p> <p>2.4.3 Actual Cash Value -- When repair or replacement is not made for partial loss to a boat described on the declarations, coverage applies on an actual cash value basis. Actual cash value terms also apply property other than boats described on the declarations and to canvas, sails, and rigging when there is not a total loss to a boat described on the declarations.</p>
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2.5	Principal Liability Coverages	2.5	Principal Liability Coverages
	<p>When form BT 0100 is used to provide liability coverage, Coverage X -- Personal Liability and Coverage Y -- Medical Payments apply to exposures related to the use of the boats, motors, and boat trailers described on the declarations and to exposures arising out of newly acquired property and non-owned boats as described in the BT 0100.</p>		<p>When form BT 0100 is used to provide liability coverage, Coverages X and Y, Personal Liability and Medical Payments, apply to exposures related to the use of the boats, motors, and boat trailers described on the declarations and to exposures arising out of substitute boats, newly acquired property, and non-owned boats as described in the BT 0100.</p>
	<p>2.5.1 Coverage X -- Coverage X -- Personal Liability pays damages for which an insured is liable by law because of bodily injury or property damage arising from a covered boat exposure.</p>		<p>2.5.1 Coverage X -- Coverage X pays damages for which an insured is liable by law because of bodily injury or property damage arising from a covered boat exposure.</p>
	<p>2.5.2 Coverage Y -- Coverage Y -- Medical Payments pays medical expenses for accidents arising from a covered boat exposure. Coverage Y pays the medical expenses of insureds as well as other persons injured in a covered accident.</p>		<p>2.5.2 Coverage Y -- Coverage Y pays medical expenses for accidents arising from a covered boat exposure. Coverage Y pays the medical expenses of insureds, as well as other persons injured in a covered accident.</p>
	<p>2.5.3 Basic Limits -- The basic limits for the Principal Liability Coverages are:</p>		<p>2.5.3 Basic Limits -- The basic limits for the Principal Liability Coverages are:</p>
Occurrence	Coverage X -- Personal Liability \$100,000 Per	Occurrence	Coverage X \$100,000 Per
	Coverage Y -- Medical Payments \$1,000 Per Person		Coverage Y \$1,000 Per Person
	Higher limits are available. Refer to Rule 4.3.3, Liability Premium.		
	Show the Coverage X and Coverage Y limits on the declarations when liability coverage applies.		Higher Per Occurrence and Per Person limits are available. Show the Coverage X and Coverage Y limits on the declarations when liability coverage applies.
	<p>Reference to substitute boats and non-owned boats is removed with the new program as there is no coverage under the policy for substitute boats.</p>		
	<p>The revised manual includes a reference to the rule number applicable to higher liability limits.</p>		

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

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<p>2.6 Uninsured Boater</p> <p>Coverage Z -- Uninsured Boater, pays for compensatory damages that an insured is legally entitled to recover because of injuries caused by an accident arising out of an uninsured boat. Uninsured Boater applies only when form BT 0100 is used to cover the liability exposures of the boats described on the declarations.</p> <p>The basic limit for Uninsured Boater is \$10,000 Per Accident. There is no additional premium charge for the basic limits for Uninsured Boater. Higher per accident limits are available. Refer to Rule 7.4, Uninsured Boater Limit.</p> <p>Show the Coverage Z limit on the declarations when Uninsured Boater coverage applies.</p> <p>2.7 Reserved For Future Use</p> <p><i>Editorial revisions. In addition to the basic Uninsured Boater limit of \$10,000 included with the liability coverage, higher limits are available. Since the higher limits are available with the new program, the reference to referral to the company for additional rules and rates has been removed.</i></p>	<p>2.6 Uninsured Boaters Coverage</p> <p>Coverage Z, Uninsured Boaters Coverage, pays for compensatory damages that an insured is legally entitled to recover because of injuries caused by an accident arising out of an uninsured boat. There is no additional premium charge for Uninsured Boaters Coverage; however, it applies only when form BT 0100 is used to cover the liability exposures of the boats described on the declarations. The limit for Uninsured Boaters Coverage is:</p> <p style="text-align: center;">Coverage Z \$10,000 Per Accident</p> <p>Refer to rules and rating information filed by the company for other Coverage Z limits. Show the Coverage Z limit on the declarations when Uninsured Boaters Coverage applies.</p>
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RULE 3 -- POLICY WRITING INSTRUCTIONS	RULE 3 -- POLICYWRITING INSTRUCTIONS																								
<p>3.1 Policy Format</p> <p>Form BT 0100 may be written as a monoline policy or may be packaged with forms that cover other personal lines property and liability exposures to create a personal combination policy. The following components are required for each format:</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; width: 50%;">MONOLINE</th><th style="text-align: left; width: 50%;">PACKAGED</th></tr> </thead> <tbody> <tr> <td>Declarations Page (Supplementary Schedules Optional)</td><td>Declarations Page or Schedule(s)</td></tr> <tr> <td>BT 0100, Boatowners Special Form</td><td>BT 0100, Boatowners Special Form</td></tr> <tr> <td>Policy Conditions -- Cancellation and Nonrenewal*</td><td>Provisions in other forms that relate to: Cancellation and Nonrenewal</td></tr> <tr> <td>Boatowners Endorsements*</td><td>Boatowners Endorsements*</td></tr> <tr> <td>State Amendatory Endorsements*</td><td>State Amendatory Endorsements*</td></tr> </tbody> </table> <p>*See the listing of forms and endorsements for the appropriate state to determine the applicable form numbers.</p> <p>When form BT 0100 is part of a combination policy, also refer to the policy writing instructions that apply to the other policy forms.</p> <p><i>With the revised form, the conditions for Assignment or Transfer of Rights or Duties, Changes or Modifications, Inspections, and Examination of Books or Records are incorporated into the BT 0100 Boatowners Special Form. Only the Cancellation and Nonrenewal condition is on a separate endorsement applicable to a monoline Boatowners policy.</i></p>	MONOLINE	PACKAGED	Declarations Page (Supplementary Schedules Optional)	Declarations Page or Schedule(s)	BT 0100, Boatowners Special Form	BT 0100, Boatowners Special Form	Policy Conditions -- Cancellation and Nonrenewal*	Provisions in other forms that relate to: Cancellation and Nonrenewal	Boatowners Endorsements*	Boatowners Endorsements*	State Amendatory Endorsements*	State Amendatory Endorsements*	<p>3.1 Policy Format</p> <p>Form BT 0100 may be written as a monoline policy or may be packaged with forms that cover other personal lines property and liability exposures to create a personal combination policy. The following components are required for each format:</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; width: 50%;">MONOLINE</th><th style="text-align: left; width: 50%;">PACKAGED</th></tr> </thead> <tbody> <tr> <td>Declarations Page (Supplementary Schedules Optional)</td><td>Declarations Page or Schedule(s)</td></tr> <tr> <td>BT 0100, Boatowners Special Form</td><td>BT 0100, Boatowners Special Form</td></tr> <tr> <td>Additional Policy Conditions*</td><td>Provisions in Other Forms that relate to: Assignment or Transfer of Rights or Duties, Cancellation, Changes or Modifications, Inspections, and Examination of Books and Records</td></tr> <tr> <td>Boatowners Endorsements*</td><td>Boatowners Endorsements*</td></tr> <tr> <td>State Amendatory Endorsements*</td><td>State Amendatory* Endorsements</td></tr> </tbody> </table> <p>* See the listing of forms and endorsements for the appropriate state to determine the applicable form numbers.</p> <p>When form BT 0100 is part of a combination policy, also refer to the policywriting instructions that apply to the other policy forms.</p>	MONOLINE	PACKAGED	Declarations Page (Supplementary Schedules Optional)	Declarations Page or Schedule(s)	BT 0100, Boatowners Special Form	BT 0100, Boatowners Special Form	Additional Policy Conditions*	Provisions in Other Forms that relate to: Assignment or Transfer of Rights or Duties, Cancellation, Changes or Modifications, Inspections, and Examination of Books and Records	Boatowners Endorsements*	Boatowners Endorsements*	State Amendatory Endorsements*	State Amendatory* Endorsements
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<p>3.2 Inception Time</p> <p>Show the inception time on the declarations.</p> <p>3.3 Policy Term</p> <p>3.3.1 Annual -- Rating information for annual policies is shown in this manual. Policies may not be written for terms of less than one year except as specified in the rules shown below. It is permissible to extend a policy for successive annual terms by extension certificate using the rating information, forms, and endorsements in effect on the renewal date.</p> <p>3.3.2 Three-Year Prepaid -- A policy may be written for a period of three years at three times the annual premium.</p> <p>3.3.3 Three-Year Deferred -- A policy may be written for a period of three years and the premiums paid in annual installments. The premium for each installment is based on the rating information, rules, forms, and endorsements in effect on the anniversary date.</p> <p style="padding-left: 40px;">Attach endorsement BT 6501 -- Installment Premium Payments.</p> <p>3.3.4 Less Than One Year Or Less Than Three Years -- A policy may be written for a term of less than one year or less than three years in order to maintain common anniversary dates with other policies. Prorate the annual premium.</p>	<p>3.2 Inception Time</p> <p>Show the inception time on the declarations.</p> <p>3.3 Policy Term</p> <p>3.3.1 Annual -- Rating information for annual policies is shown in this manual. Policies may not be written for terms of less than one year except as specified in the rules shown below. It is permissible to extend a policy for successive annual terms by extension certificate using the rating information, forms, and endorsements in effect on the renewal date.</p> <p>3.3.2 Three-Year Prepaid -- A policy may be written for a period of three years at three times the annual premium.</p> <p>3.3.3 Three-Year Deferred -- A policy may be written for a period of three years and the premiums paid in annual installments. The premium for each installment is based on the rating information, rules, forms, and endorsements in effect on the anniversary date.</p> <p style="padding-left: 40px;">Attach endorsement BT 0002.</p> <p>3.3.4 Less Than One Year or Less Than Three Years -- A policy may be written for a term of less than one year or less than three years in order to maintain common anniversary dates with other policies. Prorate the annual premium.</p>
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<p>3.3.5 Renewal Plan -- A policy may be written for a term of three, six, or twelve months. The premium for a three-month or six-month term is prorated. The policy may be continued for successive terms, subject to the rating information, forms, and endorsements in effect on the renewal date, by payment of the required premium. Make entries on the endorsement to show the policy period.</p> <p>Attach endorsement BT 6502 -- Renewal Plan.</p> <p>3.4 Coverage Territory</p> <p>Form BT 0100 covers losses, bodily injury, and property damage that occur upon the land, coastal waters, tributaries, inland lakes, and rivers of the United States and Canada. Coastal waters means ocean waters which extend 100 miles from the coastline of the United States of America and Canada. For personal watercraft, coverage for coastal waters is limited to 10 miles from the coastline of the United States of America and Canada.</p> <p>At the discretion of the company, the boundaries of the coverage territory can be modified by entering a revised description on the declarations.</p> <p><i>The coverage territory under the revised program extends to 100 miles from the coastline of the United States and Canada. For personal watercraft, the coverage territory is limited to 15 miles from the coastline of the United States or Canada. In addition, there are minor editorial revisions</i></p>	<p>3.3.5 Renewal Plan -- A policy may be written for a term of three, six, or twelve months. The premium for a three-month or six-month term is prorated. The policy may be continued for successive terms, subject to the rating information, forms, and endorsements in effect on the renewal date, by payment of the required premium.</p> <p>Attach endorsement BT 0003 and make entries to show the policy period.</p> <p>3.4 Coverage Territory</p> <p>Form BT 0100 covers losses, bodily injury, and property damage that occur upon the land, coastal waters, tributaries, inland lakes, and rivers of the United States and Canada. Coastal waters means ocean waters which extend 15 miles from the coastline of the United States of America and Canada.</p> <p>The boundaries of the coverage territory can be modified by entering a revised description on the declarations.</p>
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<p>3.5 Required Lay-Up Period -- Territories 1, 2, 7, and 8</p> <p>The annual rating information shown in this manual for Territories 1, 2, 7, and 8 has been adjusted to reflect an eight-month navigation period. Covered watercraft must be in a safe berth for storage ashore or afloat from approximately mid-November until mid-March. This period of time is referred to as the lay-up period. Show the lay-up period on the declarations.</p> <p>Attach endorsement BT 2000 -- Lay-Up Period Limitation.</p> <p>Subject to the company's approval, the required lay-up period can be waived for an additional charge shown in the factor rating information pages. See Rule 6.2.1, Extended Navigation Period.</p> <p><i>Under the revised program, the territories have been redefined. As a result, the Required Lay-Up Period is updated to reference the new territories.</i></p> <p><i>The grace period at the beginning and end of the lay-up period is no longer applicable. The lay-up period is a specified 4-month period and is displayed on the policy declarations. Since the additional 15 days coverage before and after the specified grace period is inconsistent with the dates as listed on the policy declarations, this paragraph has been removed.</i></p>	<p>3.5 Required Lay-up Period -- Territories 2 and 3</p> <p>The annual rating information shown in this manual for Territories 2 and 3 has been adjusted to reflect an eight-month navigation period. Covered watercraft must be in a safe berth for storage ashore or afloat from approximately mid-November until mid-March. This period of time is referred to as the lay-up period.</p> <p>A grace period at the beginning and end of the lay-up period permits the use of the boat 15 days after the lay-up period begins and 15 days before the lay-up period ends.</p> <p>Subject to the company's approval, the required lay-up period can be waived for an additional charge.</p> <p>Attach endorsement BT 0004 and show the lay-up period on the declarations.</p>
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<p>3.6 Additional Interests</p> <p>Loss to covered property can be made payable to the insured and to loss payees or others who have an interest in the property. Identify the appropriate entity or person(s) on the applicable endorsement listed below.</p> <p><i>The proposed manual instructs that the additional interests should be listed on the applicable endorsement.</i></p> <p>Attach endorsement BT 6000 -- Additional Interests for other additional interested parties.</p> <p>Attach endorsement BT 6002 -- Loss Payee Provision for lien holders.</p> <p><i>Editorial revisions with no change in intent or usage of the endorsements.</i></p> <p>Attach endorsement BT 6003 – Agreed Value Loss Payee Provision when the Agreed Value Settlement Provision applies.</p> <p><i>This new endorsement is created for use with the Agreed Value Settlement Provision. Since the loss payee endorsement addresses the amount payable, a loss payee specific to agreed value settlement is necessary.</i></p>	<p>3.6 Additional Interests</p> <p>Loss to covered property can be made payable to the insured and to loss payees or others who have an interest in the property.</p> <p>Identify other additional interests on endorsement BT 0006.</p> <p>Identify loss payees on endorsement BT 0005.</p>

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<p>3.7 Additional Insureds</p> <p>Coverage can be provided to additional insureds for vicarious tort liability resulting from an insured's ownership, maintenance or use of covered property. Identify additional insureds on the endorsement.</p> <p>Attach endorsement BT 6001 -- Additional Insured.</p> <p>3.8 Assignment</p> <p>At the option of the company, a policy may be endorsed to effect assignment from one insured to another in the event of transfer of title of the property.</p> <p>Attach endorsement BT 6500 -- Change Endorsement.</p> <p>3.9 Cancellation Or Reduction In Limits Or Coverage</p> <p>Policies must be canceled in accordance with the terms of all applicable cancellation provisions.</p> <p>Mandatory coverages may not be canceled unless the entire policy is canceled.</p> <p>If the policy is canceled or the limits or coverages are reduced, the amount of any return premium due is calculated on a pro rata basis, subject to any minimum premium requirement.</p>	<p><i>With the revised program, the option to provide coverage for vicarious tort liability to additional interests is made available.</i></p> <p>3.7 Assignment</p> <p>At the option of the company, a policy may be endorsed to effect assignment from one insured to another in the event of transfer of title of the property.</p> <p>Identify the changes on endorsement BT 0001.</p> <p>3.8 Cancellation or Reduction in Limits or Coverage</p> <p>Policies must be canceled in accordance with the terms of all applicable cancellation provisions.</p> <p>Mandatory coverages may not be canceled unless the entire policy is canceled.</p> <p>If the policy is canceled or the limits or coverages are reduced, the amount of any return premium due is calculated on a pro rata basis, subject to any minimum premium requirement.</p>
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<p>3.10 Minimum Premium</p> <p>At the option of the company, a minimum annual premium charge can apply to each policy. Refer to the company for the applicable minimum charge.</p> <p>3.11 Waiver Of Premium</p> <p>An additional or return premium due when a policy is endorsed after its inception may be waived; however, return premiums must be refunded at the request of the insured. Refer to the company for the amount that may be waived.</p> <p>3.12 Premium Rounding</p> <p>Premiums shown on the declarations may be rounded. Refer to the company for rounding procedures.</p> <p>3.13 Endorsements</p> <p>Information called for as entries on endorsements can instead be shown on the declarations or a supplemental schedule.</p> <p>3.14 Reserved For Future Use</p>	<p>3.9 Minimum Premium</p> <p>At the option of the company, a minimum annual premium charge can apply to each policy. Refer to the company for the applicable minimum charge.</p> <p>3.10 Waiver of Premium</p> <p>An additional or return premium due when a policy is endorsed after its inception may be waived, however, return premiums must be refunded at the request of the insured. Refer to the company for the amount that may be waived.</p> <p>3.11 Premium Rounding</p> <p>Premiums shown on the declarations may be rounded. Refer to the company for rounding procedures.</p> <p>3.12 Endorsements</p> <p>Information called for as entries on endorsements can instead be shown on the declarations or a supplemental schedule.</p>
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<p>RULE 4 -- PREMIUM DETERMINATION</p> <p><i>Rating information as provided represents loss costs only.</i></p> <p>4.1 Property Limits</p> <p>4.1.1 Boats -- The limit for each boat should be based on the actual cash value of the covered boat, including its sails, spars, fittings, and all permanently attached equipment including engines.</p> <p>4.1.2 Other Property -- The limit for each outboard motor and boat trailer should be based on the actual cash value of the covered item.</p> <p><i>Boats are settled on an actual cash value basis and the limit should reflect the actual cash value of the insured property.</i></p> <p>4.2 Liability Limits</p> <p>When form BT 0100 is used to provide liability coverage, the Coverage X -- Personal Liability and Coverage Y -- Medical Payments limits must be the same for all boats described on the declarations.</p>	<p>RULE 4 -- PREMIUM DETERMINATION</p> <p><i>Refer to the company if the rating information shown in this manual has not been converted from loss costs to company rates and premiums.</i></p> <p>4.1 Property Limits</p> <p>4.1.1 Boats -- The limit for each boat should be based on the full replacement value of the covered boat, including its sails, spars, fittings, and all permanently attached equipment including engines.</p> <p>4.1.2 Other Property -- The limit for each outboard motor and trailer should be based on the full actual cash value of the covered item.</p> <p>4.2 Liability Limits</p> <p>When form BT 0100 is used to provide liability coverage, the Coverage X and Coverage Y limits must be the same for all boats described on the declarations.</p>
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<p>4.3 Calculation Of Premium</p> <p>4.3.1 Property Premium -- Boats And Motors</p> <p>The following steps should be followed for each covered boat and its motor(s).</p> <p>Step 1 Determine the limit by adding the combined actual cash value for the boat and motor(s) together and rounding to the nearest \$1,000 increment.</p> <p><i>The step specifies that the amount to be used is the actual cash value rather than the "limits".</i></p> <p>Step 2 Follow Steps 2.a. through 2.c. to determine the basic property premium for each boat.</p> <p>a. Multiply the Base Property Loss Cost shown in the Loss Cost Rating Information pages by the applicable Amount of Insurance Relativity shown in the Factor Rating Information pages, based on the limit as determined in Step 1 above.</p> <p>b. Multiply the result of Step 2.a. by the applicable Navigational Territory Factor located in the Factor Rating Information pages. If a boat is operated in more than one territory, use the factor for the highest rated territory.</p> <p>c. Multiply the result of Step 2.b. by the applicable Type of Boat Factor shown in the Factor Rating Information pages.</p>	<p>4.3 Calculation of Premium</p> <p>4.3.1 Property Premium -- Boats and Motors</p> <p>Step 1 Add the boat and motor limits together for all boats powered by outboard motors.</p> <p>Step 2 Determine the premium for each boat based on the limit (or sum of the limits) and navigational territory. Select the premium shown for the limit at the nearest \$1,000 increment. If a boat is operated in more than one territory, use the rating information for the highest rated territory.</p> <p>Step 3 Multiply the premium determined in Step 2 by the type of boat factor.</p>
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<p>Step 3 Multiply the property premium determined in Step 2.c. by the applicable deductible factor shown in the Factor Rating Information pages under Rule 5, Deductibles.</p> <p>Step 4 Multiply the property premium determined in Step 3 by any applicable premium modification factors shown in the Factor Rating Information pages under Rule 6, Premium Modifications.</p> <p><i>Under the revised program, the steps are to be followed for each boat and its motor(s). The premium determination method under the revised program is the same as under the current program. The proposed manual provides more detail for premium determination and provides information as to where the factors to be applied are located.</i></p> <p>4.3.2 Boat Trailer</p> <p>Step 1 To determine the premium for each boat trailer, multiply the Boat Trailer rating information shown under Rule 4.3.2 in the Loss Cost Rating Information pages by the boat trailer limit of insurance, in hundreds.</p> <p>Step 2 Multiply the premium determined in Step 1 by the applicable Boat Trailer Deductible Factor shown in the Factor Rating Information pages under Rule 5.3, Boat Trailer Deductible.</p> <p>Step 3 Multiply the premium determined in Step 2 by any applicable premium modification factors shown in the Factor Rating Information pages under Rule 6, Premium Modifications.</p> <p><i>As with the boat premium determination rule, the revised program uses the same factors as the current program. However, the proposed manual provides more detail for the premium determination and provides information as to where the factors to be applied are located.</i></p>	<p>Step 4 Multiply the premium determined in Step 3 by the deductible factor.</p> <p>Step 5 Multiply the premium determined in Step 4 by any premium modification factors that may apply.</p> <p>4.3.3 Trailers</p> <p>Step 1 Determine the premium for each trailer based on the limit that applies.</p> <p>Step 2 Multiply the premium determined in Step 1 by the deductible factor.</p> <p>Step 3 Multiply the premium determined in Step 2 by any premium modification factors that may apply.</p>
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4.3.3 Liability Premium

Step 1 Follow Steps 1.a. and 1.b. below to determine the basic liability premium for each boat.

- a. Select the applicable rate group from the Liability Rate Group Chart shown below based on the horsepower and length of the boat.

LIABILITY RATE GROUP CHART

LENGTH IN FEET	HORSEPOWER						
	0-25 hp	26-65 hp	66- 85hp	86- 120h p	121- 200hp	201- 300hp	301- 400hp
0 - 11'	1	6	6	6	6	6	6
12' & 13'	1	2	3	4	5	6	6
14'	1	1	3	4	5	6	6
15'	1	1	2	3	4	5	6
16'	1	1	2	3	3	5	6
17'	1	1	2	2	3	5	6
18'	1	1	2	2	3	5	6
20' & 25'	1	1	2	2	2	3	5
26' +	1	1	1	2	2	3	4

Personal Watercraft is categorized in Rate Group 7.

If two or more motors or engines are used simultaneously, use 75% of their combined horsepower to determine horsepower. If two or more motors or engines are used interchangeably with the same boat, use the horsepower of the largest motor or engine.

- b. Based on the rate group of each boat, select the applicable Base Liability Loss Cost shown in the Loss Cost Rating

4.3.2 Liability Premium, if applicable

Step 1 Determine the premium for each boat based on its rate group and the Coverage X limit. The rate group reflects the type, length, and speed of the boat.

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<p>Step 2 Increased liability limits. Steps 2.a. and 2.b. apply when the Coverage X limit and/or the Coverage Y limit is increased above the basic limit shown in Rule 2.5.3, Principal Liability Coverages Basic Limits. Follow Steps 2.a. and 2.b. for each boat.</p> <p>a. If the Coverage X -- Personal Liability limit is increased, adjust the liability premium determined in Step 1.b. by the applicable factor shown in the Factor Rating Information pages under Rule 4.3.3, Liability Premium.</p> <p>b. If the Coverage Y -- Medical Payments limit is increased, add the additional charge shown in the Loss Cost Rating Information pages (Rule 4.3.3, Liability Premium) based on the limit and the appropriate boat type, to the liability premium for each boat determined above in Step 1.b. (or 2.a. if applicable).</p> <p>Step 3 Multiply the premium determined in Step 1 (or Step 2, if applicable) by any applicable premium modification factors shown in the Factor Rating Information pages under Rule 6, Premium Modifications.</p> <p><i>The premium determination method for the liability premium under the revised program is the same as under the current program. The Liability Rate Group Type chart is located within the rule rather than on rating pages. The proposed manual provides more detail for the premium determination and provides information as to where the factors to be applied are located.</i></p>	<p>Step 2 If the Coverage Y limit is increased, add the additional charge shown in this manual for the appropriate boat type to the premium for each boat determined in Step 1.</p>
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<p>4.3.4 Coverage Options -- Use the amount(s) shown in the Loss Cost Rating Information pages to determine the additional premium for any selected option as outlined in Rule 7, Coverage Options.</p> <p>4.3.5 Total Premium -- The total policy premium is the sum of the premiums developed for each boat under Rules 4.3.1 through 4.3.4.</p> <p>4.4 Reserved For Future Use</p>	<p>4.3.4 Coverage Options -- Use the rating information shown in this manual to determine the premium for any coverage options selected.</p> <p>4.3.5 Total Premium -- The total policy premium is the sum of the premiums developed according to Rules 4.3.1, 4.3.2, 4.3.3, and 4.3.4.</p>
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<p>RULE 5 -- DEDUCTIBLES</p> <p>A deductible amount is subtracted from all covered property losses, except the Additional Property Coverage provided for Emergency Service.</p> <p>The deductible amount is subtracted only once per loss, regardless of the number of covered items affected. When a loss affects two or more items with different deductible amounts, the highest deductible amount applies. However, if we cover more than one boat, a deductible applies to each boat and its motor and boat trailer as shown on the declarations.</p> <p><i>The revised program provides that if more than one boat is insured, a separate deductible applies to each boat and its motors.</i></p> <p>5.1 Flat Deductible -- Boats, Motors, And Additional Property Coverages</p> <p>Several deductible options are available for boats, motors, and the additional coverages provided for boating equipment and newly acquired property. The deductible factors are shown in the Factor Rating Information pages and apply to the property premium for all boats and motors described on the declarations.</p> <p>Show the deductible amount on the declarations.</p> <p><i>Editorial revisions. The flat deductible applies to boats, motors, and boating equipment under the proposed program. The current program applies to boats, motors, and miscellaneous property. A property is replaced as additional property coverage under the new program. Also removed is coverage for substitute and non-owned boats. The deductible therefore does not apply to these boats.</i></p> <p><i>The deductible options are removed from the rule and instead are</i></p>	<p>RULE 5 -- DEDUCTIBLES</p> <p>A deductible amount is subtracted from all covered property losses, except the Additional Property Coverage provided for Emergency Service.</p> <p>The deductible amount is subtracted only once per loss, regardless of the number of covered items affected. When a loss affects two or more items with different deductible amounts, the highest deductible amount applies.</p> <p>5.1 Flat Deductible -- Boats, Motors, and Additional Property Coverages</p> <p>One of the following deductible options can be selected for boats, motors, and the additional coverages provided for miscellaneous property, substitute boats, non-owned boats, and newly acquired property. The deductible factors shown in this manual apply to the property premium for all boats and motors described on the declarations.</p> <p style="text-align: right;">Flat Deductible Options Boats, Motors, and Additional Property Coverages \$100 \$250 \$500 \$1,000</p> <p>Show the deductible amount on the declarations.</p>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.	
<i>located in the Factor Rating Information Pages.</i>	

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.

<div>5.2</div> <div>Split Deductible -- Boats, Motors, And Additional Property Coverages</div> <div>The deductible amount selected for boating equipment can be lower than the amount selected for boats, motors, and the additional coverages provided for newly acquired property. However, when a loss affects both boating equipment and boats, motors, or other additional property coverages, the higher deductible amount will apply. The Factor Rating Information pages show the deductible combinations that can be selected for this option. The deductible factors for this rule apply to the property premium for all boats and motors described on the declarations in lieu of the factors shown for Rule 5.1.</div> <div>Show the deductible amounts on the declarations.</div> <div><div>Editorial revisions. The split deductible applies to boating equipment under the proposed program. The current program applies to Miscellaneous Property which is replaced by Boating Equipment as an additional property coverage under the new program. Also removed is coverage for substitute and non-owned boats. The deductible therefore does not apply to these boats.</div><div>The deductible options are removed from the rule and are located in the Factor Rating Information Pages.</div></div>	<div>5.2</div> <div>Split Deductible -- Boats, Motors, and Additional Property Coverages</div> <div>The deductible amount selected for miscellaneous property can be lower than the amount selected for boats, motors, and the additional coverages provided for substitute boats, non-owned boats, and newly acquired property. However, when a loss affects both miscellaneous property and boats, motors, or other additional property coverages, the highest deductible amount will apply. One of the following deductible combinations can be selected for this option. The deductible factors shown in the manual for this rule apply to the property premium for all boats and motors described on the declarations in lieu of the factors shown for Rule 5.1.</div> <div><div>Split Deductible Options</div><div>Miscellaneous Property/Boats, Motors, and Other Additional Property Coverages</div><div><div><div>\$50 / \$100</div><div>\$100 / \$250</div><div>\$100 / \$500</div><div>\$100 / \$1,000</div></div></div><div>Show the deductible amounts on the declarations.</div></div>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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<p>5.3 Boat Trailer</p> <p>Deductible amounts can be selected for boat trailers. The deductible factors are shown in the Factor Rating Information pages and apply to the property premium for all boat trailers described on the declarations.</p> <p>Show the deductible amount on the declarations.</p> <p><i>The trailer deductible options are displayed on the Factor Rating Information pages.</i></p> <p>5.4 Named Storm Deductible</p> <p>A named storm deductible may be selected for boats, motors and additional property coverage. This deductible applies in the event of any loss caused directly or indirectly by a storm system that has been named by the National Oceanic and Atmospheric Administration (NOAA).</p> <p>Show the Named Storm Deductible option on the declarations. Refer to company for rates.</p> <p>Attach endorsement BT 4500 -- Named Storm Deductible.</p> <p>5.5 Reserved For Future Use</p>	<p>5.3 Trailers</p> <p>One of the following deductible amounts can be selected for trailers. The deductible factors shown in this manual apply to the property premium for all trailers described on the declarations.</p> <p style="text-align: right;">Trailer Deductible Options \$50 \$100 \$250</p> <p>Show the deductible amount on the declarations.</p> <p><i>An optional named storm deductible is being introduced with the proposed program. The deductible applies in the event of a loss caused by a storm system named by NOAA.</i></p>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.

<p>RULE 6 -- PREMIUM MODIFICATIONS</p> <p>Premium modification factors for the rules below are displayed in the Factor Rating Information pages and are referenced by the applicable rule.</p> <p>6.1 Age Of Boat</p> <p>The age of boat factors apply to the property premium developed for each boat. Use the manufacture year and compare to the current year to determine the age of each boat.</p> <p><i>Editorial revisions are made with no change in intent or application of the rule. While the current program instructs a factor be applied to boats over five years, this in effect applies a factor of 1.0 to boats 5 years and newer. This remains the same in the proposed manual. Also, for clarification, the rule states that the manufacture year should be compared to the current year to determine the age of each boat.</i></p> <p>6.2 Navigation Period</p> <p>6.2.1 Extended Navigation Period -- Territories 1, 2, 7, and 8</p> <p>The extended navigation factor applies to the property premium for each covered boat when the lay-up period required in Territories 1, 2, 7, and 8 is waived. Refer to the company to determine eligibility for the extended navigation period.</p> <p>Omit endorsement BT 2000, Lay-Up Period Limitation, and indicate that the lay-up period is not applicable on the declarations.</p> <p><i>The revised manual is updated to reflect the new territories to which the Extended Navigation Period can apply.</i></p>	<p>RULE 6 -- PREMIUM MODIFICATIONS</p> <p><i>The proposed manual provides information regarding the location of the premium modification factors and references the applicable rule.</i></p> <p>6.1 Age of Boat</p> <p>The age of boat factors shown in this manual apply to the property premium developed for each boat over five years old. Use the manufacture year to determine the age of each boat.</p> <p>6.2 Navigation Period</p> <p>6.2.1 Extended Navigation Period -- Territories 2 and 3</p> <p>The extended navigation factor shown in this manual applies to the property premium for each covered boat when the lay-up period required in Territory 2 and Territory 3 is waived. Refer to the company to determine eligibility for the extended navigation period.</p> <p>Omit endorsement BT 0004 and indicate that the lay-up period is not applicable on the declarations.</p>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.	
<p>6.2.2 Limited Navigation Period -- Territories 3, 4, 5, 6, 9, 10, and 11</p> <p>The limited navigation factor applies to the property premium for each covered boat when an eight-month navigation period is voluntarily elected. The limited navigation factor is based on a four-month lay-up period.</p> <p>Attach endorsement BT 2000, Lay-Up Period Limitation, and show the lay-up period on the declarations.</p> <p><i>The revised manual is updated to reflect the new territories to which the Limited Navigation Period can apply.</i></p>	<p>6.2.2 Limited Navigation Period -- Territories 1, 4, and 5</p> <p>The limited navigation factor shown in this manual applies to the property premium for each covered boat when an eight-month navigation period is voluntarily elected. The limited navigation factor is based on a four-month lay-up period. A grace period at the beginning and end of the lay-up period permits the use of the boat 15 days after the lay-up period begins and 15 days before the lay-up period ends.</p> <p>Attach endorsement BT 0004 and show the lay-up period on the declarations.</p>

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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<p>6.3 Agreed Value Settlement Provision</p> <p>Indicate on the declarations the boat or boats to which the Agreed Value Settlement Provision applies.</p> <p>The limit for each boat should be based on the full replacement value of the covered boat, including its sails, spars, and fittings, and all permanently attached equipment including engines.</p> <p>The limit for each outboard motor and trailer should be based on the actual cash value of the covered item.</p> <p>Use the rating information shown in the Factor Rating Information pages.</p> <p>Attach endorsement BT 4800 -- Agreed Value Settlement Provision.</p> <p>6.4 Other Premium Modifications</p> <p>Credit(s) and/or a surcharge can apply as explained below and shown on the Factor Rating Information pages.</p> <p><i>Editorial revisions. The Other Premium Modification rule has been re-formatted with the proposed manual.</i></p> <p>6.4.1 Navigational Training -- Successful completion by all operators of one or more courses sponsored by the United States Power Squadron or the United States Coast Guard Auxiliary.</p> <p>A credit for navigational training applies to the property and liability premiums for all covered boats and motors.</p> <p><i>The Navigational Training credit applies when all operators have completed one or more courses sponsored by the United States</i></p>	<p><i>The Agreed Value Settlement Provision is introduced with the Boatowners 05 08 program. While the current program provides for boats to be settled on an agreed value basis, the 05 08 program provides for the settlement of boats as an actual cash value basis. The agreed value provision is optional.</i></p> <p>6.3 Other Premium Modifications</p> <p>Apply other premium modification credits shown in this manual to reflect:</p> <ul style="list-style-type: none"> -- navigational training; -- the installation of navigational or safety equipment; -- the installation of theft prevention devices; and -- diesel power. <p>Modifications for navigational training apply to the property premium for all covered boats and motors. Modifications for navigational equipment, safety equipment, theft prevention devices, and diesel power apply only to the property premium for the covered boat, motor, and/or trailer that is so equipped. Modifications for a trailer ball locking device apply to the property premium for both the covered trailer and the boat(s) towed by that trailer.</p>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.	
<i>Power Squadron or the United States Coast Guard. With the proposed program, the credit applies to both the property and liability premiums.</i>	

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.	
<p>6.4.2 Experienced Operator -- In order to qualify for this credit, all operators must have at least five years of ownership and experience operating a boat similar to the boat covered under this policy.</p> <p>Modifications for experienced operators apply to the property and liability premium for covered boats with which the operator(s) has experience.</p> <p>6.4.3 Navigational Equipment, Safety Equipment, Theft Prevention Devices, And Diesel Power -- Modifications for navigational equipment, safety equipment, theft prevention devices, and diesel power apply only to the property premium for the covered boat, motor, and/or boat trailer that is so equipped. Modifications for a trailer ball locking device apply to the property premium for both the covered boat trailer and the boat(s) towed by that trailer.</p> <p>Apply credits as shown in the Factor Rating Information pages. The maximum sum of the credits permitted under this rule is 25%.</p> <p><i>The Navigational Equipment, Safety Equipment, Theft Prevention Devices, and Diesel Power credits are available in the proposed program as they are in the current program. The limit for these credits is 25% with the proposed program. Under the current program the 25% limit includes credits available for navigational training as well.</i></p> <p>6.4.4 Multiple Owner Surcharge -- Apply the Multiple Owner Surcharge, shown in the Factor Rating Information pages, to boats, motors and trailers titled in the name of two or more individuals not residing in the same household.</p> <p>The Multiple Owner Surcharge applies to all coverages for each boat, trailer and motor with multiple owners.</p> <p>6.5 Reserved For Future Use</p>	<p><i>The Experienced Operator credit is a new credit being introduced with the proposed 05 08 revision. The credit applies to property and liability premiums.</i></p> <p>The maximum sum of the credits permitted under this rule is 25%.</p> <p><i>A new Multiple Owner Surcharge is introduced with the proposed manual. The multiple owner surcharge applies when boats, motors, and trailers are titled in the name of two or more individuals not living in the same household.</i></p>

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.	

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.

<p>RULE 7 -- COVERAGE OPTIONS</p> <p>7.1 Boating Equipment -- Increased Limit</p> <p>The basic limit that applies to boating equipment can be increased. The basic limit for loss or damage to boating equipment is \$2,500. However, the limit for boating equipment in, on, or cast, from a personal watercraft is \$500. Use the rating information shown in the Loss Cost Rating Information pages. No adjustments for the deductible option selected apply. Show the total Boating Equipment limit on the declarations.</p> <p><i>In the proposed program, Miscellaneous Property is replaced by Boating Equipment.</i></p> <p>7.2 Expanded Emergency Service</p> <p>In addition to coverage for towing and labor at the place of disablement, emergency service coverage can be expanded to include delivery of fuel, oil, or a battery or changing a boat trailer tire. Use the rating information shown in the Loss Cost Rating Information pages. This coverage does not include the cost of fuel, oil, batteries, or tires. No deductible applies. Show the Emergency Service limit on the declarations.</p> <p>Attach endorsement BT 2500 -- Expanded Emergency Service.</p> <p><i>The endorsement to delete coverage for towing with a personal watercraft is not available with the proposed program.</i></p>	<p>RULE 7 -- COVERAGE OPTIONS</p> <p>7.1 Miscellaneous Property -- Increased Limit</p> <p>The limit that applies to miscellaneous property can be increased.</p> <p>Use the rating information shown in this manual. No adjustments for the deductible option selected apply.</p> <p>Show the total Miscellaneous Property limit on the declarations.</p> <p>7.2 Emergency Service -- Expanded Coverage</p> <p>In addition to coverage for towing and labor at the place of disablement, emergency service coverage can be expanded to include delivery of fuel, oil, or a battery or changing a boat trailer tire. Use the rating information shown in this manual. This coverage does not include the cost of fuel, oil, batteries, or tires. No deductible applies.</p> <p>Show the Emergency Service limit on the declarations and attach endorsement BT 0007.</p> <p>7.3 Personal Watercraft -- Towing Exclusion Deleted</p> <p>The exclusion for bodily injury or property damage to persons while they are being towed by a personal watercraft can be deleted. Apply the factor shown in this manual to the combined liability and medical expense premium for each covered personal watercraft.</p> <p>Attach endorsement BT 0008.</p>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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<p>7.3 Personal Effects Coverage</p> <p>Coverage for loss to personal effects owned by an insured or guest while the personal effects are aboard or being loaded onto or off of covered property can be purchased for an additional premium. Use the rating information shown in the Loss Cost Rating Information pages. See the Personal Effects Coverage Endorsement for a description of property covered and not covered. Show the Personal Effects limit on the declarations.</p> <p>Attach endorsement BT 3000 -- Personal Effects Coverage.</p>	<p><i>With the proposed program, optional Personal Effects Coverage is available. Coverage is provided for personal effects owned by an insured and guests while the property is on or being loaded onto or off of covered property.</i></p>
<p>7.4 Uninsured Boater Limit</p> <p>The basic limit that applies to Uninsured Boater can be increased. All covered boats must have the same Uninsured Boater limit. The Uninsured Boater limit may not be greater than the Personal Liability limit. Use the rating information shown in the Loss Cost Rating Information pages. A charge applies to each boat. Show the Uninsured Boater limit on the declarations.</p>	<p><i>The proposed program provides for optional increased uninsured boater limit. Under the program, the limit must be the same for all boats insured under the policy.</i></p>
<p>7.5 Reserved For Future Use</p>	

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.

<p>RULE 8 -- NAVIGATIONAL TERRITORIES</p> <p>Property rating information in this manual is shown for boats operated in the following navigational territories. If the boat is operated in more than one territory, use the rating information for the highest rated territory.</p> <p>Territory 1 -- Alaska</p> <p>Coastal waters of Alaska. The Territory 1 rating information is based on an eight-month period.</p> <p>Territory 2 -- Pacific North</p> <p>Coastal waters of the Pacific Ocean off the coasts of Washington and Oregon. The Territory 2 rating information is based on an eight-month period.</p> <p>Territory 3 -- Pacific South</p> <p>Coastal waters of the Pacific Ocean off the coasts of California and Hawaii.</p> <p><i>The current territory for the Pacific is divided into Pacific North and Pacific South.</i></p>	<p>RULE 8 -- NAVIGATIONAL TERRITORIES</p> <p>Property rating information in this manual is shown for boats operated in the following navigational territories. If the boat is operated in more than one territory, use the rating information for the highest rated territory.</p> <p>Territory 4 -- Pacific</p> <p>Coastal waters of the Pacific Ocean.</p>
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BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.	
<p>Territory 4 -- Inland - West</p> <p>Inland waters of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, North Dakota, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.</p> <p>Territory 5 -- Inland - Central</p> <p>Waters of Missouri, Kentucky, and Tennessee.</p> <p>Territory 6 -- Inland - East</p> <p>Inland waters of Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maine, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, and Wisconsin.</p> <p><i>Other current territory of Other Inland Waterways is divided into Inland - West, Inland - Central; and Inland - East.</i></p> <p>Territory 7 -- Great Lakes</p> <p>Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, and Lake Superior. The Territory 7 rating information is based on an eight-month period.</p>	<p>Territory 5 -- Other Inland Waters</p> <p>Inland waters, other than the Great Lakes, of the United States and Canada.</p> <p>Territory 3 -- Great Lakes</p> <p>Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, and Lake Superior. The Territory 3 rating information in this manual is based on an eight-month navigation period.</p>

BOATOWNERS COUNTRYWIDE MANUAL COMPARISONS

Proposed Countrywide Boatowners Manual Revision 05 08	Current Countrywide Boatowners Manual Revision 2.0
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This coverage comparison is for illustrative purposes only. It is intended to provide a general overview of coverage similarities.

<p>Territory 8 -- Atlantic North</p> <p>Coastal waters of Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, and Rhode Island. The Territory 8 rating information is based on an eight-month period.</p> <p><i>Virginia is now located in the Atlantic South territory.</i></p> <p>Territory 9 -- Atlantic South</p> <p>Coastal waters of Georgia, North Carolina, South Carolina, and Virginia.</p> <p>Territory 10 -- Gulf West</p> <p>Coastal waters of Alabama, Louisiana, Mississippi, and Texas.</p> <p>Territory 11 -- Florida and Puerto Rico</p> <p>Coastal waters of Florida and Puerto Rico.</p> <p><i>The South Atlantic and Gulf Territory is broken into the territories of Atlantic South, Gulf West and Florida and Puerto Rico.</i></p> <p>8.1 Reserved For Future Use</p>	<p>Territory 2 -- North Atlantic</p> <p>Coastal waters of the Atlantic Ocean from the North Carolina-Virginia border northward. The Territory 2 rating information in this manual is based on an eight-month navigation period.</p> <p>Territory 1 -- South Atlantic and Gulf</p> <p>Coastal waters of the Atlantic Ocean from the North Carolina-Virginia border southward and the waters of the Gulf of Mexico.</p>
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This coverage comparison is for informational and illustrative purposes only. It is solely intended to provide a general overview of coverage differences and similarities. This document and the language herein is not a contract and does not confer any contractual obligation between AAIS, its officers or agents and any individual, organization or other recipient of this document.

If anything in this coverage comparison is in conflict with the actual terms, coverage amounts, conditions and exclusions in the referenced policy, the policy terms, coverage amounts, conditions and exclusions apply and are not modified by this document.

AAIS PROPOSED AR State Exception Page Rev 05 08	AAIS CURRENT AR State Exception Page Rev 2.0	COMMENTS
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AMERICAN ASSOCIATION OF INSURANCE
SERVICES
BOATOWNERS MANUAL

ARKANSAS

STATE EXCEPTIONS

RULE 4 -- PREMIUM DETERMINATION

Rule 4.2 Liability Limits is deleted and replaced
by the following:

4.2 Liability Limits

When form BT 0100 is used to provide
liability coverage, Coverage X, Personal
Liability and Coverage Y, Medical
Payments limits must be the same for all
boats described on the declarations.

The state of Arkansas requires the
owners of motorboats of more than 50
horsepower and all personal watercraft
to maintain a minimum liability limit of
\$50,000.

AMERICAN ASSOCIATION OF INSURANCE
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ARKANSAS

STATE EXCEPTIONS

The State of Arkansas requires the owners of
motorboats of more than 50 horsepower and all
personal watercraft to maintain a minimum
liability limit of \$50,000.

The current state exception language has been
incorporated into the rule for Premium
Determination, Liability Limits. No change in
language or intent.

AMERICAN ASSOCIATION OF INSURANCE SERVICES

COMPANY ACTION EXHIBIT

ARKANSAS

MANUAL RULES AND SUPPLEMENTAL RATING INFORMATION

Companies that are affiliated for rules for this line of insurance:

- can adopt an AAIS rules filing, without modifications, on the effective date designated by AAIS by notifying the Arkansas Insurance Department (ARID) at least 20 days before the effective date designated by AAIS.
- can adopt an AAIS rules filing on an earlier effective date by notifying the ARID at least 20 days before their chosen effective date.
- can adopt an AAIS rules filing on a later effective date by notifying the ARID at least 20 days before the effective date designated by AAIS.
- can modify an AAIS rules filing by establishing an effective date and submitting their modifications to the ARID at least 20 days before their chosen effective date.
- can non-adopt an AAIS rules filing without notifying the ARID.

Include the AAIS and state file numbers in all correspondence with the ARID.